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The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Publications, Office of Public Affairs, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, as well as legislative material in the field of international relations, are listed currently.

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THE UNITED NATIONS AND SPECIALIZED AGENCIES

U.S. Report to U.N. on False and Distorted Reports

[Released to the press by the U.S. Mission to the U.N. July 19]

On May 17 the Secretary-General of the United Nations, acting in accordance with the General Assembly's resolution 119 (II) of October 31, 1947, regarding implementation of recommendations on economic and social matters, asked the Representative of the United States at the seat of the United Nations for the observations of the United States Government on implementation of the General Assembly's resolution 127 (II) of November 15, 1947, regarding false or distorted reports.

Following is the text of the United States reply:

Resolution No. 127 (II), adopted by the General Assembly on November 15, 1947, invites the Governments of States Members "to study such measures as might with advantage be taken on the national plane to combat, within the limits of constitutional procedures, the diffusion of false or distorted reports likely to injure friendly relations between States".

The position of the United States with respect to such measures was outlined in a statement filed at the United Nations Conference on Freedom of Information (E/Conf 6/6 Add 6), which reads in part as follows:

"It is the view of the Government of the United States that the most effective means of combatting the diffusion of false or distorted reports is to assure the availability of a multiplicity of unfettered sources of news and information to the various peoples of the world. It is the fundamental belief of the Government of the United States that, provided they have access to sufficient information from diverse sources, the peoples of a democracy are competent to distinguish the true from the false and the wise from the stupid, and on the basis of their judgments to form their own opinions and make their own decisions.

"Conversely, it is the view of the Government of the United States, that the greatest danger from false or distorted reports arises from monopolies of information, and particularly those of a governmental character. The American people have observed that monopolies of information tend to become monopolies of misinformation and that State control of the flow of information is inevitably utilized as a propaganda mechanism to further the political aims, both domestic and international, of

the existing government. This may lead—and frequently has led—to the deliberate falsification or distortion of reports concerning other States without possibility of counteraction."

This Government is vigilantly aware of the danger of monopoly in the communications field. No government monopoly of any character over the flow of news or information exists in the United States. In addition, this Government has a long-established policy of combatting private monopoly, as evidenced by its anti-trust laws and such special statutes as the Federal Communications Act.

There are in the United States today more than 1,700 daily newspapers. Of these, about 83 per cent are locally owned and only about 13 per cent absentee owned. In other words, approximately four out of every five dailies are individual, independent units. Only slightly more than one out of five is linked with a chain, and the largest chain in the United States consists of less than twenty dailies. There are, in addition, almost 10,000 weekly newspapers. The overwhelming majority of these are individual units, locally owned. Each of these papers—both weeklies and dailies—has its own editors, free to report world news and to comment on it as they like.

Scores of magazines and periodicals are published in the United States, many of which contain news and information concerning international affairs.

In the field of radio there are almost 1700 AM stations broadcasting at the present time, together with more than 500 FM stations, and some 27 television stations. Almost without exception, considerable attention is given by all of these to the dissemination of news and information concerning public affairs.

These news media—newspapers, periodicals and broadcasting stations—are served by three national wire services with world-wide coverage. In addition, many newspapers, periodicals and radio networks maintain extensive, supplementary foreign coverage through correspondents of their own.

Through this extensive network for the collection and dissemination of news and information, the multiplicity of sources of news and information available to the people of the United States is unsurpassed in any other country of the world.

THE UNITED NATIONS AND SPECIALIZED AGENCIES

The probability that false or distorted reports will be corrected by true reports is correspondingly great.

As stated to the Conference on Freedom of Information, it is thus the view of this Government that, "the major means for combatting false or distorted reports is to implement freedom of information by reducing barriers and promoting the flow of information available to the various peoples of the world from a multiplicity of news sources by breaking up existing monopolies of information and striking off existing fetters of State control".

Compared with the efficacy of diverse sources of information in offsetting false or distorted reports, other measures for correcting whatever abuses may now exist are viewed as secondary and must be such as not to destroy or restrict freedom of information itself.

In the view of this Government, such ancillary means might include the following:

1. The idea of the moral responsibility of information agencies should be implemented through encouraging non-official organizations of news and information personnel dedicated to the development of high standards of professional conduct.

In this connection the United States Delegation to the Conference on Freedom of Information supported the inclusion of the following provisions in a resolution introduced by it (Resolution No. 1 of the Final Act of the Conference):

"5. That it is the moral obligation of the press and other agencies of information to seek the truth and report the facts, thereby contributing to the solution of the world's problems through the free interchange of information bearing on them, promoting respect for human rights and fundamental freedoms without discrimination, fostering understanding and cooperation between peoples, and helping maintain international peace and security;

"6. That this moral obligation, under the spur of public opinion, can be advanced through organizations and associations of journalists and through individual news personnel;

"7. That encouragement should be given to the establishment and to the functioning within the territory of a State of one or more non-official organizations of persons employed in the collection and dissemination of information to the public, and that such organization or organizations should encourage the fulfillment *inter alia* of the following obligations by all individuals or organizations engaged in the collection and dissemination of information;

"(a) To report facts without prejudice and in their proper context and to make comments without malicious intent;

"(b) To facilitate the solution of the economic, social and humanitarian problems of the world as a whole through the free interchange of information bearing on such problems;

"(c) To help promote respect for human rights and fundamental freedoms without discrimination;

"(d) To help maintain international peace and security;

"(e) To counteract the spreading of intentionally false or distorted reports which promote hatred or prejudice against States, persons or groups of different race, language, religion or philosophical conviction;"

2. Secondly, the training and exchange of journalists should be facilitated and in such manner as to inculcate higher standards of competence and integrity.

The United States has developed extensive facilities for the training of journalists. More than seventy schools of journalism are now in operation, virtually all of them affiliated with colleges or universities. In recent years, increasing attention has been paid to opportunity for advanced study on the part of practicing journalists. Outstanding in this field are fellowships granted annually by the Nieman Foundation, connected with Harvard University, and the American Press Institute, connected with Columbia University.

The United States Delegation supported Resolution No. 35 adopted by the Conference on Freedom of Information, making recommendations regarding the training of journalists.

The United States, both through the Department of State, Unesco and private endeavor, has also consistently supported the principle of the exchange of persons between countries, including journalists and other information personnel. It is the hope of this Government that this type of exchange can be substantially increased as time goes on.

3. The creation of private organizations of citizens dedicated to the purpose of increasing international understanding through greater knowledge of other countries and peoples and of the purposes and activities of the United Nations should be encouraged.

In accordance with this policy the United States Delegation to the Conference on Freedom of Information supported the recommendation contained in Resolution No. 3, "that appropriate national bodies should supplement the work of information agencies and associations of journalists and of others engaged in the collection, publication and dissemination of news, in ensuring the impartial presentation of news and opinion . . .".

Thousands of private organizations in the United States concern themselves with international affairs. Every effort is made by this Government to facilitate their educational work. The Department of State maintains regular and continuous liaison with more than 450 national organizations alone. These are of all types and in total represent some 60 million members. The

Department of State during the past year has received and answered nearly one-half million letters, telegrams, and post cards. During the last four years more than seven million copies of some five hundred different publications covering all phases of American foreign policy have been published and distributed by the Department. Approximately 150 meetings attended by representatives of national organizations have been held during this same four-year period to provide background information and discussion of international matters. In these ways the Government of the United States assists private organizations to provide a flow of information to the general public which supplements that disseminated by the press and other organs of information.

4. The development on the inter-governmental plane of the right of official correction provides a fourth means of offsetting false or distorted reports.

The Draft Convention on the Gathering and International Transmission of News submitted to the Conference on Freedom of Information by the United States Delegation contained a provision for an international right of official correction. This applied to cases where a State felt that a report likely to injure its relations with other States sent out by a foreign correspondent was false or distorted. The complaining government could in such cases send its own version of the facts to the State in which the report had been published. The latter would then be obliged to make this version available to the information agencies which supply news to its public.

This provision in somewhat expanded form was adopted by the Conference in a separate Draft Convention Concerning the Institution of an International Right of Correction, originally submitted by the French Delegation. No power to compel publication is contemplated. It need hardly be pointed out, however, that American newspapers follow the general practice of publishing corrections and denials.

5. A fifth means is the establishment of continuing United Nations machinery which would include in its terms of reference continuing investigation of obstacles to the free flow of information and continuing study and reporting on the persistent dissemination of false or intentionally distorted reports contrary to the principles of the Charter of the United Nations.

The United States Delegation to the Conference on Freedom of Information sponsored Resolution No. 39 which requested the Economic and Social Council to continue the Subcommission on Freedom of Information and of the Press with power to study and report to the Economic and Social Council on "the persistent dissemination of information which is false, distorted or otherwise injurious to the principles of the Charter of the United Nations . . ."

6. In a desire to implement the General Assembly resolution concerning false or distorted reports and the corresponding resolutions adopted by the Conference on Freedom of Information (Resolutions No. 2 and 3), the Department of State during the first part of June, 1948, transmitted to some 1800 persons engaged in the collection and dissemination of news and information copies of the attached Report¹ of the United States Delegates to the United Nations Conference on Freedom of Information. In an accompanying letter of transmittal, the Assistant Secretary of State for Public Affairs, specifically called the attention of news and information personnel to these resolutions, which were reproduced in the report. This step was taken in the belief that the moral obligation of the press and other agencies of information to seek the truth and report the facts can best be advanced by journalists and other information personnel themselves.

In this connection the Government of the United States endorses the action of the Conference on Freedom of Information (Resolution No. 2) in appealing "vigorously to the personnel of the press and other agencies of information of all the countries of the world, and to those responsible for their activities, to serve the aims of friendship, understanding and peace by accomplishing their task in a spirit of accuracy, fairness and responsibility;"

In the view of this Government, a free people cannot go beyond such measures as those described above without destroying the most fundamental of all their freedoms, freedom of information. The use of governmental power to combat false or distorted reporting likely to injure friendly relations between States through censorship or suppression would constitute a dangerous infringement of freedom of information. For governments to arrogate unto themselves the power to determine what is true and what false, what is friendly and what unfriendly, would mark the end of the free press.

THE FOREIGN SERVICE

Consular Offices

An American Consular Agency was established at Port Limón, Costa Rica, on July 19, 1948.

The American Consulate at Dar-es-Salaam, Tanganyika, was opened to the public on July 12, 1948. The consular district for Dar-es-Salaam will comprise the trusteeship territory of Tanganyika and the Protectorate of Zanzibar (including Pemba).

Henry F. Grady To Assume Duties in Greece

After two weeks of consultation in Washington, Henry F. Grady will depart by air on July 18 to assume the duties of his new post as Ambassador to Greece.

¹ Not here printed.

Cease-Fire Orders for July 18¹

CABLEGRAM TO THE ARAB STATES AND TO THE PROVISIONAL GOVERNMENT OF ISRAEL CONCERNING THE SECURITY COUNCIL RESOLUTION OF 15 JULY AND THEIR REPLIES

1. Cablegram Dated 16 July From the United Nations Mediator

Paragraph 3 of the resolution on the cease-fire and truce in Palestine adopted by the Security Council on 15 July at its three hundred and thirty-eighth meeting provides that the cease-fire is "to take effect at a time to be determined by the Mediator, but in any event not later than three days from the date of the adoption of this resolution".

In pursuance of this provision of the resolution and following consultations at Lake Success, I wish to notify you that the date and hour on which the cease-fire is to be effective is 3.00 p.m., G.M.T., Sunday, 18 July 1948. In order that each party may be informed of the intentions of the other, will you be so kind as to confirm to me this issuance of the cease-fire orders in accordance with the decision above noted at my Rhodes headquarters at the earliest possible moment.

Paragraph 8 of the resolution "instructs the Mediator to supervise the observance of the truce".

In order that there shall be no misunderstanding regarding the discharge of my responsibilities in the supervision of the truce, I take this opportunity to inform you that, although I will do my utmost to establish and put into operation a system of observers as quickly as possible, I cannot ensure that the functioning of this system, in view of the short time available, will coincide with the effective date of the truce. It is my earnest hope that both parties will undertake to observe scrupulously both the letter and the spirit of the truce. I will, of course, give advance notice and at the earliest possible moment, of the institution of the system of supervision, and of the arrival of the observers and their equipment at the observation posts.

2. Replies

(a) EGYPT

In reply to your cable of 17 July which was communicated to me on the same date, the Eyp-

¹ U.N. doc. S/907, July 19, 1948.

tian Government has given the cease-fire order in Palestine as from Sunday, 18 July at 3.00 p.m., G.M.T.

NOKRASHY
*President of the Council of
Ministers of Egypt*

(b) TRANSJORDAN

I have the honour to inform you that the Government of the Hashemite Kingdom of Transjordan, complying with the resolution of the Security Council, accepts cease-fire as from three o'clock Greenwich Time this day, Sunday, 18th July 1948.

F. MULKA
Transjordan Foreign Minister

(c) IRAQ

Owing to delay of receipt of your wire, and because the subject necessitates Arab State deliberations, and in view of Arab League Political Committee being still kept busy in meetings, I earnestly endeavour to get Iraqi Government's reply reach you at earliest possible moment.

ALI MUMTAZ
Acting Minister for Foreign Affairs, Iraq

(d) ISRAEL

View shortness time and absent reply regarding Arab decision, orders have been issued all our commanders cease fire today 7.00 p. m. Israeli Time corresponding hours fixed by you and resume firing only if other side continues.

MOSHE SHERTOK

(e) SYRIA

We have ordered our troops to cease fire at 17 hours Damascus time.

JAMIL MARDAM BEY
Minister of Foreign Affairs, Syria
Department of State Bulletin

(f) LEAGUE OF ARAB STATES²

I wish to notify Your Excellency that the Arab States members of the Arab League issued orders to cease fire in Palestine as from Sunday, 18 July, at 3 G.M.T.

AZZAM PASHA
*Secretary-General of League
of Arab States*

(g) LEBANON

Have honour to inform you cease-fire order was given Lebanese forces 5.00 p. m. Sunday.

HAMID FRANGIE,
Minister of Foreign Affairs, Lebanon

(h) SAUDI ARABIA

Reference your telegram No. 13 dated July 16, contents of which have fully been noted by the Saudi Arabian Government, but so far as taking final decision on the subject, this comes under the jurisdiction of the Political Committee of the Arab League. You will be notified thereof by the said League in due course.

*Ministry of Foreign Affairs
Saudi Arabia*

**Terms of Reference for the Visiting Mission to
Ruanda-Urundi and Tanganyika**

RESOLUTION¹

The Trusteeship Council:

HAVING appointed a visiting mission composed of Mr. H. Laurentie of France, Chairman, Mr. E. W. P. Chinnery of Australia, Dr. Lin Mou-sheng of China, and Mr. R. E. Woodbridge of Costa Rica, assisted by members of the Secretariat and by such representatives of the local administrations as the mission may determine necessary;

HAVING decided that the visiting mission should visit the Trust Territories of Ruanda-Urundi and Tanganyika during the months of July, August, and September 1948 in accordance with rules 84, 89, 94, 96 and 98 of the rules of procedure of the Trusteeship Council;

Directs the visiting mission to observe the developing political, economic, social and educational conditions in the Trust Territories of Ruanda-Urundi and Tanganyika, their progress toward

self-government or independence, and the efforts of the respective Administering Authorities to achieve this and other basic objectives of the International Trusteeship System;

Directs the visiting mission to give attention, as may be appropriate in the light of discussions in the Trusteeship Council and resolutions adopted by the Council, to issues raised in and in connexion with the annual reports on the administration of Ruanda-Urundi and Tanganyika and in petitions received by the Trusteeship Council relating to those Trust Territories; and

Requests the visiting mission to transmit to the Trusteeship Council, not later than 31 October 1948, in accordance with rule 99 of the rules of procedure of the Trusteeship Council, a report on the findings of the mission with such observations and conclusions as the mission may wish to make.

which the world is now passing, have no other alternative than to accept the Security Council's resolution with regard to the cessation of hostilities in Palestine.

... They will accordingly follow carefully and with anxiety the efforts made by the United Nations to consolidate the so-called State of Israel. In this connection the Arab States can only express astonishment that the Security Council's resolution has recognized the Zionist bands as a provisional government. Such recognition goes beyond the limits of neutrality which the Security Council should observe in regard to the present conflict. Moreover, it contradicts the resolution adopted by the Council on 29 May which stated that the rights, claims and positions of both parties should be respected. In such circumstances the Arab States make the most energetic protests and enter the most express reservations with regard to such recognition. The Arab States, anxious to see the wished-for solution of the Palestinian problem realized, will await that solution with impatience. Then and then only will peace return to the land of peace.

¹ U.N. doc. T/195, July 13, 1948. Adopted by the Trusteeship Council at the twenty-third meeting of its third session on July 13, 1948.

² U.N. doc. S/908, July 19, 1948.

Excerpts from a telegram dated 18 July 1948, from Abdel Rahman Arel, the Secretary-General of the Arab League to the Secretary-General of the United Nations in reply to the Security Council resolution (doc. S/902) adopted 15 July 1948:

The Governments of the Arab States are surprised at the attitude the Security Council has adopted in regarding the situation in Palestine as a threat to the peace subject to the provisions of Chapter VII of the Charter of the United Nations and entailing the application of sanctions against the Arab States if they refused to cease fire in Palestine. This attitude has never been adopted by the Security Council with regard to any of the problems it has hitherto dealt with.

... Because the Security Council persists in considering the continuation of hostilities in Palestine to be a breach of the peace and because it expressly threatens to apply sanctions against the Arab States if they refuse to cease fire, the Arab States, anxious to avoid doing anything which would aggravate the critical situation through

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The United States in the United Nations

Privileges and Immunities

Appointment of a committee of three private citizens to study the question of whether persons whose presence is inconsistent with national security have entered the United States in connection with the work of international organizations was announced on July 28 by Secretary of State Marshall.¹

Members are Benjamin M. McKelway, editor of the *Washington Star*; James H. Rowe, Jr., Washington attorney, former Assistant Attorney-General; and Marcellus C. Sheild, retired, clerk of the House Appropriations Committee from 1916 to 1944.

Mr. Marshall's letter to the committee members said that recent "public discussion and concern" about this question had led him to decide "to have a careful study made and all the relevant facts analyzed and published as soon as possible so that a determination can be reached as to whether the Government possesses, and has exercised, all necessary powers to protect the public interest."

Mr. Marshall asked the committee specifically to report whether the United Nations headquarters agreement, as accepted with certain reservations by the Seventy-ninth Congress, prevents "the exclusion from this country of persons whose presence is inconsistent with our national security."

On July 21 Mr. Marshall had told a press conference that in his opinion the admission to the United States of U.N. personnel whose ideologies and beliefs differ from those of the United States had not endangered this country's security.²

On July 30 the United Nations Acting Secretary-General, Arkady A. Sobolev, made public a letter from the staff committee representing U.N. employees which expressed the hope that the committee appointed by Secretary Marshall would "operate on a high level of justice and international amity, and not inquisitorially". The letter disapproved in principle "any form of national investigation" which would encroach on the international character of the United Nations.

Strategic Trusteeships

The relationship of the Security Council and the Trusteeship Council with respect to strategic

trusteeships was again considered by a joint committee of the two Councils on July 22.³

Speaking for the Trusteeship Council, Lin Chieh of China said that the procedure proposed in the report of the Security Council's committee of experts⁴ was generally acceptable. This proposal is that the Trusteeship Council should perform "in accordance with its own procedures, on behalf of the Security Council, the functions specified in Articles 87 and 88 of the Charter relating to the political, economic, social and educational advancement of the inhabitants" of strategic trust areas, but shall be subject to the primacy of the Security Council in security matters.

The Security Council has yet to ratify this procedure. Representatives of the U.S.S.R. and the Ukraine have expressed bitter opposition to granting the Trusteeship Council participation as of right in U.N. procedures regarding strategic trusteeships. Only one such trusteeship, that of the United States over the Pacific Islands formerly mandated to Japan, is in effect.

Palestine

A Syrian proposal that the International Court of Justice be asked to give an advisory opinion of the international status of Palestine after the termination of the United Kingdom mandate was rejected by the Security Council on July 27. Votes for it fell one short of the required majority of seven. Voting in favor were Argentina, Belgium, China, Colombia, Syria, and the United Kingdom. The Ukraine voted against, and Canada, France, the U.S.S.R., and the United States abstained.

A. G. L. McNaughton, of Canada, argued that reference to the International Court would "inevitably hinder and postpone the negotiations for a peaceful settlement" and would "unquestionably introduce doubts and uncertainties in the work of the Mediator on whom we have placed our primary reliance."

Philip C. Jessup, of the United States, endorsed General McNaughton's arguments. He added that a reference to the Court by the recent special session of the General Assembly might have been "very pertinent at that time", but pointed out that the Assembly had decided instead to appoint a mediator.

On July 29 similar arguments prevailed in the Trusteeship Council, which voted 8-1 (U.S.S.R. against) to postpone indefinitely further discus-

¹ Department of State press release no. 613.

² BULLETIN of July 25, 1948, p. 116.

³ See BULLETIN of June 27, 1948, p. 830, and July 4, 1948, p. 15.

⁴ U.N. doc. S/642, Jan. 12, 1948.

sion of the draft Statute of Jerusalem. The majority agreed with Pierre Ryckmans of Belgium that debate on this "inflammable" question at the present time might endanger the Palestine truce and the success of the mediator's efforts.

The Council drafted an organic law for administration of Jerusalem by the United Nations at its last session, in compliance with one of the provisions of the General Assembly's partition resolution of November 29, 1947, but has not finally approved it and received no further instruction from the Assembly during its April-May special session on Palestine.

Indonesia

By a 9-0 vote (U.S.S.R. and Ukraine abstaining), the Security Council on July 29 approved a Chinese resolution calling for strict observance by the Netherlands and the Indonesian Republic of the Renville truce agreement of January 17, 1948, and for early and full implementation of the agreed principles for forming a sovereign United States of Indonesia.

The resolution noted four recent reports⁵ from the Council's Committee of Good Offices in Indonesia. One was in reply to the Council's July 6 resolution asking for information on restrictions applied by the Netherlands to trade with the Republic. It said that the restrictions, "whatever their intent," had caused severe economic difficulties for the Republic. Another report said that political negotiations had again been suspended and that further progress depended on "substantial concessions" by one side or the other or both.

International Law Commission

Four Americans are among 78 candidates from whom the General Assembly will elect the 15 members of the United Nations' new International Law Commission. The list was announced at Lake Success July 24.

Edwin DeWitt Dickinson, dean of the University of California school of jurisprudence, was nominated by the Philippine Republic. Manley O. Hudson, Bemis professor of international law at Harvard University and from 1936 to 1946 a judge of the Permanent Court of International Justice at The Hague, was nominated by Ethiopia, Iceland, the Philippine Republic, and the United States. Philip C. Jessup, Deputy U.S. Representative in the Security Council and Hamilton Fish professor of international law and diplomacy at Columbia University, was nominated by Iceland and Turkey. Francis B. Sayre, U.S. Representative in the Trusteeship Council, was nominated by Siam.

Besides Dr. Hudson, the nominees of the United

States are Alberto Ulloa Sotomayor of Peru and Jean Spyropoulos of Greece.

The purpose of the Commission is to promote the progressive development and codification of international law.

Economic and Social Council

Continuing into its second week, the seventh session of the Economic and Social Council in Geneva discussed in plenary session the report of the Economic Commission for Europe. Endorsement of the Commission's work was expressed on July 27 by delegates of France, Great Britain, Poland, the U.S.S.R., and the United States. However, the Soviet representative launched a lengthy attack against the European Recovery Program, through which, he charged, the United States was interfering with the sovereignty of European nations. The Soviet representative proposed that the ECE adopt measures to expand trade and economic relations among its members and with others, to insure the carrying out of U.S. assistance within the U.N. framework, to stop foreign trade discrimination by which the United States would gain advantage at the expense of the receiving countries; to encourage European efforts to develop basic industries; to raise the volume of agricultural production; and to prevent the pauperization and unemployment produced by ERP.

In reply, Assistant Secretary of State Thorp, U.S. Representative at the Ecosoc meeting, pointed out that the 16 nations participating in the recovery program are democratic countries with free institutions and with parliaments controlling their decisions, and with a free press which discusses all aspects of the matter. The European nations themselves, he recalled, prepared the recovery program. Far from trying to make Europe more dependent on the United States, the whole purpose of the recovery plan is to restore the European economy so that the European nations will be completely independent of American aid. Mr. Thorp said. He stated that under the program European countries are encouraged to develop to the limit of their capacity industry, agriculture, and commerce. Mr. Thorp also pointed out that the United States will as far as possible assist in the expansion of agriculture in the various European countries and that "to say that we are trying to hold down the expansion of industry through this program is likewise incorrect."

On July 29, debate was completed on the Soviet resolution on the ECE report, with the Council rejecting it by a vote of 14-3. The Social, Economic, and Human Rights Committees of the Council continued working on items within their competence referred to them by the Council.

⁵ U.N. docs. S/842, S/848 and S/848/Add. 1, S/918, S/919.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

U.S. Delegations to International Conferences

Linguistics

The Department of State announced on July 19 the composition of the United States Delegation to the Sixth International Congress of Linguists scheduled to be held at Paris July 19-24, 1948. The United States Delegation is as follows:

Chairman

Charles C. Fries, Professor, University of Michigan

Delegates

William F. Albright, Professor of Semitic Languages, Johns Hopkins University
Herbert Penzel, Associate Professor of German, University of Illinois

The International Congresses of Linguists have been meeting periodically since 1928, bringing together scholars from all parts of the world. The Fifth Congress was scheduled to be held at Brussels August 28-September 2, 1939. However, upon meeting, the delegates decided that in view of the critical international situation the Congress should adjourn immediately.

The principal effort of the Sixth Congress will be devoted to general morphology. Among the other items to be considered will be: (1) to attempt to arrive at a general unification of terminology of linguistics throughout the world; (2) to institute a general inquiry on the state of research in the several fields of linguistic study; (3) to compile a linguistic atlas of the world; (4) to inquire into the question of statistics in linguistics; and (5) to study the present state of development of international auxiliary language studies.

Physical Education

The Department of State announced on July 15 the United States Delegation to the International Congress of Physical Education, Recreation and Rehabilitation which is scheduled to be held at London July 23-26, 1948. The United States Delegation is as follows:

Chairman

T. Nelson Metcalf, Professor of Physical Education and Director of Athletics, University of Chicago

Delegates

Robert J. H. Kiphuth, Professor of Physical Education and Director of Athletics, Yale University

EDITOR'S NOTE: The Calendar of International Meetings, which usually appears in the BULLETIN in the first issue of each month, will appear in the August 8 issue.

Maj. Bliss P. Sargeant, Jr., Chief, Troop Information-Education Branch, Office of Director of Military Personnel, Department of the Air Force

This Congress, sponsored by six British organizations under the aegis of the Ministry of Education, is scheduled to take place immediately before the Olympic Games. The program of the Congress will include short addresses on such subjects as physical education in schools, the training of physical-education teachers, post-school physical recreation, rehabilitation in the services and in civilian life, the physical education of hospital patients, and applied physical training in industry. Demonstrations of various aspects of physical education by school children, students in physical-training colleges, members of youth clubs, and members of the services will also be presented.

Navigation of the Danube

The Department of State announced on July 20 that the President has approved the composition of the United States Delegation to attend the International Danube Conference to be held in Belgrade opening on July 30, 1948.

Invitations to the conference were extended by Yugoslavia as the host government to the United States, United Kingdom, France, Union of Soviet Socialist Republics, Hungary, Czechoslovakia, Rumania, Bulgaria, the Ukrainian Soviet Socialist Republic, and Austria.

The United States Delegation is as follows:

Chairman

Cavendish W. Cannon, Ambassador Extraordinary and Plenipotentiary, American Embassy, Belgrade

Vice Chairman

Walter A. Radius, Director, Office of Transport and Communications, Department of State

Advisers

Francis B. Stevens, Chief, Division of Eastern European Affairs, Department of State

John W. Tuthill, Inland Transport Adviser, Office of Transport and Communications, Department of State

Charles I. Bevans, Treaty Affairs, Office of the Legal Adviser, Department of State

John C. Campbell, Council on Foreign Relations, New York, N.Y.

Robert G. McCreary, Leckie, McCreary, Schlitz and Hinslea, Maritime Lawyers, Cleveland, Ohio

Representative, Office of Military Government, United States (OMGUS), Berlin
 Representative, United States Forces, Austria (USFA), Vienna
 George A. Mann, Public Affairs, Overseas Program Staff, Office of International Information, Department of State
 Frederick Strauss, Chief, European Branch, Office of International Trade, Department of Commerce

SECRETARIAT

Executive Secretary

Arthur C. Nagle, Division of International Conferences, Department of State

Technical Secretary

Maxwell Harway, Office of Transport and Communications, Department of State

Press Officer

Walter H. Dustmann, Jr., Office of the Special Assistant for Press Relations, Department of State

Fiscal Officer

Ann F. Jablonski, Division of Finance, Department of State

Language Service Officer

Kenneth R. Boyle, Division of Language Services, Department of State

Documents Assistant

Virginia E. Sparks, Division of Departmental Personnel, Department of State

Interpreters

Jeannette Dastous, Division of Language Services, Department of State
 Ellen Gavrisheff, Division of Language Services, Department of State
 Alexander Logofet, Division of Language Services, Department of State

Stenographic Services

Lillian E. Atland, Division of Eastern European Affairs, Department of State
 Teresa Beach, Office of Transport and Communications, Department of State
 Audrey C. Kluczny, Office of Assistant Secretary for political affairs, Department of State
 Helen Perlman, Office of Transport and Communications, Department of State
 Sammie M. Venable, Office of Assistant Secretary for political affairs, Department of State

Medical Histories

The Department of State announced on July 21 the composition of the United States Observer Delegation to the meeting of the United Kingdom and Dominions Official Medical Histories Liaison Committee scheduled to be held at Corpus Christi College, Oxford, England, August 3-7, 1948. The observer delegation is as follows:

Chairman

Capt. John Matthew Bachulus, M.C., U.S.N., Staff Medical Officer with Commander in Chief of Naval Forces, Eastern Atlantic and Mediterranean, London

August 1, 1948

Observer Delegates

Col. Joseph H. McNinch, M.C., U.S.A., Editor-in-Chief of History of Army Medical Department in World War II, Director of Army Medical Library, Surgeon General's Office, Department of the Army
 Dr. Donald O. Wagner, Chief Historian, Historical Division, Army Medical Library, Surgeon General's Office, Department of the Army

The purpose of the meeting is to discuss collaboration in the preparation of the official medical histories of the war. A previous meeting of the Committee was held at Ottawa in September 1947.

Anthropological and Ethnological Sciences

The Department of State announced the United States Delegation to the Third Session of the International Congress of Anthropological and Ethnological Sciences scheduled to be held at Brussels and Tervueren, Belgium, August 15-23, 1948. The United States Delegation is as follows:

Chairman

Dr. Melville J. Herskovits, Professor of Anthropology, Northwestern University

Delegates

Dr. Wilton Marion Krogman, Professor of Physical Anthropology, University of Pennsylvania
 Dr. Ralph Linton, Sterling Professor of Anthropology, Yale University

The purpose of the Congress is to enable scientists to submit for consideration and discussion the results of their research relating to the characteristics and customs of races and peoples. The Second Session of the Congress, held at Copenhagen July 31-August 6, 1938, appointed six special committees which will present reports to the forthcoming session on the following subjects: the organization of systematic research on the peoples and cultures of the circumpolar regions; the standardization of anthropological methods; the standardization of anthropological and ethnological terminology; the position of anthropology and ethnology in public education; the provisions by various governments for the conservation of aboriginal peoples whose mode of life is of scientific interest; and the problems of megalithic cultures. The general scientific subjects to be discussed will include physical anthropology, the ethnology of Europe, Asia, Africa, the Arctic, Oceania, and the Americas, the methods, theories, and history of ethnology, and linguistics.

Geodesy and Geophysics

The Department of State announced on July 19 the composition of the United States Delegation to the Eighth General Assembly of the International Union of Geodesy and Geophysics scheduled to be held at Oslo August 17-28, 1948. The United States Delegation is as follows:

ACTIVITIES AND DEVELOPMENTS

Chairman

Walter D. Lambert, Chief, Section of Gravity and Astronomy, United States Coast and Geodetic Survey, Department of Commerce

Delegates

Leason H. Adams, Director, Geophysical Laboratory, Carnegie Institution
K. Hilding Bell, Assistant Director, Hydraulics Laboratory, National Bureau of Standards, Department of Commerce
Francis W. Reichelderfer, Chief, United States Weather Bureau, Department of Commerce
Waldo E. Smith, Executive Secretary, American Geophysical Union

It is expected that approximately 31 countries will be represented at the Assembly.

The purpose of the Eighth Assembly is to exchange scientific information; to discuss the rapidly growing importance and value in human endeavor of geodesy and geophysics; to promote international cooperation for the development of natural resources; and to improve geophysical methods of scientific investigation and utility. The agenda for the meeting will include the presentation of papers on such subjects as the physical aspects of the influence of solar activity on terrestrial magnetism, the ionosphere, magnetic surveys and instruments, air-borne magnetism, terrestrial magnetism, and aurora. In addition, reports of the committees appointed at the Seventh General Assembly will be presented.

The International Union of Geodesy and Geophysics is one of the component unions of the International Council of Scientific Unions. The Union of Geodesy and Geophysics is composed of international associations concerned with the following subjects: seismology, meteorology, terrestrial magnetism and electricity, physical oceanography, vulcanology, and scientific hydrology.

Geology

The Department of State announced on July 23 the composition of the United States Delegation to the Eighteenth International Geological Congress scheduled to be held at London, August 25-September 1, 1948. The United States Delegation is as follows:

Chairman

Dr. Elliot Blackwelder, Professor Emeritus of Geology, Stanford University, and Chairman, U.S. Geological Survey Advisory Committee, Stanford University

Delegates

Dr. Leason Heberling Adams, Director, Geophysical Laboratory, Carnegie Institution
Dr. James Boyd, Director, U.S. Bureau of Mines, Department of the Interior
Dr. Norman Levi Bowen, Petrologist, Carnegie Institution
Dr. A. F. Buddington, Professor of Geology, Princeton University
Dr. Carl O. Dunbar, Professor of Geology, Yale University
Dr. Herbert E. Hawkes, Geologist, U.S. Geological Survey, Department of the Interior
Dr. W. D. Johnston, Jr., Geologist, U.S. Geological Survey, Department of the Interior

Dr. John F. Marble, Chairman, Committee on Geological Time, National Research Council
Dr. Louis L. Ray, Geologist, U.S. Geological Survey, Department of the Interior

The main purpose of the forthcoming Congress will be to exchange scientific information on and to discuss the following geological subjects: problems of geochemistry; metasomatic processes in metamorphism; rhythm in sedimentation; the geological results of applied geophysics; the geology of petroleum; the geology, paragenesis, and reserves of the ores of lead and zinc; the geology of sea and ocean floors; the Pliocene-Pleistocene boundary; faunal and floral facies and zonal correlation; the correlation of continental vertebrate-bearing rocks; and earth movements and organic evolution. Other items on the agenda include an examination of the program conducted in the American republics since 1940 under the auspices of the Interdepartmental Committee on Scientific and Cultural Cooperation and a discussion on the desirability of forming an international union of geology to be affiliated with the International Council of Scientific Unions.

In addition to the regular program of the Congress a number of excursions to points of interest in England, Scotland, and Wales have been scheduled.

John Abbink Appointed to Joint Brazil-U.S. Technical Commission

John Abbink has been appointed by the President as Chairman, with the personal rank of Minister, of the United States Section of the Joint Brazil-United States Technical Commission in which the Brazilian and the United States Governments are cooperating for the purpose of making a study of Brazilian resources and capacity for economic development.

Mr. Abbink will serve as Co-Chairman with the Chief of the Brazilian Section of the Commission. The Brazilian and United States Sections will each consist of three members who will be assisted by a technical staff to be furnished by their respective governments. Other members of the United States Section will be appointed at an early date, and it is anticipated that this section will arrive in Rio de Janeiro early in September.

The Commission will direct its attention toward an analysis of (1) Brazil's natural and capital resources; (2) the supply of labor, particularly of skilled labor; (3) problems in fiscal and banking fields; (4) problems of domestic and international trade; and (5) the position of Brazil in the world economy.

The organization of this Technical Commission is a further instance of the cooperative work encouraged by the United States Government to assist the other American Republics in attaining the comprehensive development of their resources.

Department of State Bulletin

U.S.-Yugoslav Claims Settlement

SUMMARY OF AGREEMENTS

Agreements between the Government of the United States and the Government of the Federal People's Republic of Yugoslavia were signed on July 19 in Washington, D. C. One agreement provides for settlement for American property nationalized in Yugoslavia and other outstanding pecuniary claims between the two Governments. The other agreement provides for settlement of the lend-lease accounts and for pre-UNRRA aid furnished to Yugoslavia by the United States. The U.S. Treasury is also unblocking Yugoslav assets in the United States.

The agreements were signed on behalf of the United States by George C. Marshall, Secretary of State, and on behalf of the Government of Yugoslavia by Dr. Obren Blagojevic, Deputy Minister of Finance.

The agreements signed on July 19 are the result of discussions of outstanding financial questions between the two Governments which began at the Department of State in May 1947, between a special Mission of the Yugoslav Government and representatives of the Department of State.

Under the nationalization agreement, the Yugoslav Government agrees to pay to the United States in dollars the sum of 17 million dollars in full settlement for American property nationalized or otherwise taken in Yugoslavia and in settlement of all other pecuniary claims of the United States Government against Yugoslavia, except those under lend-lease and pre-UNRRA civilian relief, which are settled in the second agreement.

The second agreement, to settle the lend-lease and pre-UNRRA accounts, provides for the payment by Yugoslavia to the United States of 45 million Yugoslav dinars. These dinars will be used by the United States in Yugoslavia in the acquisition of Embassy or consular property and for other local uses. Of the approximately 32 million dol-

lars in lend-lease aid furnished by the United States to Yugoslavia, the great majority was used in the war. As is customary in the settlement of lend-lease accounts, no charge is made by the United States for materials expended in winning the war. The few small naval vessels loaned to Yugoslavia under lend-lease will be returned to the United States.

The lend-lease settlement also includes the resolving of several minor categories of claims, mostly maritime in nature, arising from the war. These include such items as the hire of Yugoslav vessels by the United States and claims arising from collision of vessels of the respective Governments.

The Treasury Department is unfreezing Yugoslav assets in the United States by including Yugoslavia in general license 53 issued under Executive Order 8389, as amended. Included among the assets unfrozen is gold amounting to almost 47 million dollars held at the Federal Reserve Bank of New York in the name of the Government of Yugoslavia.

The agreement concerning compensation for nationalization covers claims of individual American nationals arising from nationalization or other taking of property in Yugoslavia if the property was owned at the time, either directly or indirectly through a corporation, by an individual American national or by an American corporation which was owned in turn by individual American nationals at least to the extent of 20 percent of any class of its outstanding securities.

The 17 million dollars paid to the United States is to be distributed among the claimants under procedures which Congress will be requested to establish.

The two Governments agree to provide interchange of information respecting American claims in order to promote substantial equity in awards.

AGREEMENT REGARDING PECUNIARY CLAIMS

The Government of the United States of America and the Government of the Federal People's Republic of Yugoslavia, being desirous of effecting an expeditious and equitable settlement of claims of the United States of America and of its nationals against Yugoslavia, have agreed upon the following articles:

August 1, 1948

Article 1

(a) The Government of Yugoslavia agrees to pay, and the Government of the United States agrees to accept, the sum of \$17,000,000 United States currency in full settlement and discharge of all pecuniary claims of the Government of the United States against the Government

THE RECORD OF THE WEEK

of Yugoslavia, other than those arising from Lend-Lease and civilian supplies furnished as military relief, arising between September 1, 1939 and the date hereof, and in full settlement and discharge of all claims of nationals of the United States against the Government of Yugoslavia on account of the nationalization and other taking by Yugoslavia of property and of rights and interests in and with respect to property, which occurred between September 1, 1939 and the date hereof.

(b) Such payment by the Government of Yugoslavia shall be made to the Secretary of State of the United States of America within forty-five days after the signing of this Agreement.

(c) If, upon adjudication made by the agency established or otherwise designated by the Government of the United States to adjudicate claims settled under this Agreement, it is found that the sum of \$17 million payable by the Government of Yugoslavia under the provisions of the Agreement is in excess of the total sum of the claims determined to be valid, exclusive of any interest on such claims for the period beginning on the date of the payment referred to in paragraph (a) of this Article, plus the costs of adjudication, if any, not borne by the claimants, the Government of the United States shall take the necessary steps to return such excess amount to the Government of Yugoslavia.

Article 2

The claims of nationals of the United States to which reference is made in Article 1 of this Agreement include those respecting property, and rights and interests in and with respect to property, which at the time of nationalization or other taking were:

(a) Directly owned by an individual who at such time was a national of the United States.

(b) Directly owned by a juridical person organized under the laws of the United States, or a constituent state or other political entity thereof, twenty percent or more of any class of the outstanding securities of which were at such time owned by individual nationals of the United States, directly, or indirectly through interests in one or more juridical persons of whatever nationality, or otherwise; or

(c) Indirectly owned by an individual within category (A) above, or by a juridical person with category (B) above, through interests, direct, or indirect in one or more juridical persons not within category (B) above, or otherwise.

Article 3

The claims of nationals of the United States to which reference is made in Article 1 of this Agreement do not include claims of individual nationals of the United States who did not possess such nationality at the time of the nationalization or other taking, which claims shall be subject to compensation by the Government of Yugoslavia, either by direct negotiations between that Government and the respective claimants or under compensation procedures prescribed by Yugoslav law.

Article 4

(a) Nothing herein contained shall constitute or be construed to constitute a waiver or release by the Government of Yugoslavia of any claims it or any Yugoslav national may have against any national of the United States.

(b) Claimants against the Government of Yugoslavia for compensation on account of the nationalization or other taking of enterprises, whose claims with respect to such nationalization or other taking are claims which are fully settled and discharged by this Agreement, receiving payment out of the funds to be paid by the Government of Yugoslavia under Article 1 of this Agreement shall be deemed to have undertaken to hold the Government of Yugoslavia, and the respective successor enterprises established by such Government, harmless against, and to have

assumed, all debt obligations, including guarantees, of the enterprises of which such claimants were formerly the owners, to nationals of countries other than Yugoslavia, valid and subsisting as of the date hereof, incurred not for the benefit of such enterprises, but for the benefit of the owners thereof; but such assumption and undertaking shall be applicable only to such proportion of such obligations as such claimants' interests in such enterprises, at the date of the nationalization or other taking thereof, bore to the total ownership interests therein. Debt obligations, including guarantees, owing to nationals of countries other than Yugoslavia, incurred prior to the time such claimants became nationals of the United States, shall be deemed subject to such assumption and undertaking in the absence of proof that such obligations, including guarantees, were incurred for the benefit of such enterprises.

(c) The Government of Yugoslavia recognizes the obligation of the successor enterprises created by it with respect to debts valid under Yugoslav law which were incurred prior to the nationalization or other taking, for the benefit of the enterprises nationalized or otherwise taken, provided, however, that there shall be deemed fully settled and discharged all debt obligations of enterprises, nationalized or otherwise taken, owing to nationals of the United States whose claims against the Government of Yugoslavia with respect to the nationalization or other taking of such enterprises are claims which are fully settled and discharged by this agreement; and further that all debt obligations of such enterprises to juridical persons through which the claims of such claimants are derived shall be deemed settled and discharged in the same proportion as such claimants' interests in such enterprises, at the date of the nationalization or other taking thereof, bore to the total ownership interests therein.

Article 5

The Government of Yugoslavia agrees to accord to nationals of the United States lawfully continuing to hold, or hereafter acquiring assets in Yugoslavia, the rights and privileges of using and administering such assets and the income therefrom within the framework of the controls and regulations of the Government of Yugoslavia, on conditions not less favorable than the rights and privileges accorded to nationals of Yugoslavia, or of any other country, in accordance with the Convention of Commerce and Navigation between the United States of America and the Prince of Serbia, signed at Belgrade, October 2-14, 1881.

Article 6

The Government of Yugoslavia agrees not to employ or to permit the employment of trademarks, and company names and trade names formerly used in Yugoslavia by enterprises, now nationalized, which were, at the time of such nationalization substantially owned, directly or indirectly, by nationals of the United States to the extent that such trademarks, company names and trade names are counterparts of trademarks, company names and trade names used elsewhere than in Yugoslavia by the former American owners of such enterprises, directly or through subsidiaries, or by their authority; provided, however, that nothing herein contained shall prejudice the right of the Government of Yugoslavia, or any national thereof, to employ such trademarks, company names and trade names with the consent of the former owners of such enterprises, or others authorized to permit the use thereof. The Government of Yugoslavia will take such measures as may be necessary and appropriate to prevent the use of such trademarks, company names and trade names within Yugoslavia, except with such consent or in connection with products imported into Yugoslavia with respect to which the use of such trademarks, company names and trade names is permitted by or on behalf of the former owners of such enterprises, or others authorized to permit the use thereof. This Agreement does

not affect in any way the rights, if any, of nationals of the United States with respect to trademarks, trade names and company names which were used in Yugoslavia by enterprises which have been taken over by nationalization.

Article 7

Claims of nationals of the United States for war damage to property which has not been nationalized or otherwise taken prior to the date hereof shall be treated not less favorably than those of nationals of Yugoslavia, but in no event less favorably than those of the nationals of any other country.

Article 8

The funds payable to the Government of the United States under Article 1 of this Agreement shall be distributed to the Government of the United States and among the several claimants, respectively, in accordance with such methods of distribution as may be adopted by the Government of the United States. Any determinations with respect to the validity or amounts of individual claims which may be made by the agency established or otherwise designated by the Government of the United States to adjudicate such claims shall be final and binding.

Article 9

(a) In the interest of an equitable distribution by the Government of the United States among the several claimants for participation in the amount to be paid by the Government of Yugoslavia in full settlement and discharge of claims in accordance with this Agreement, the Government of Yugoslavia will, upon the request of the Government of the United States, and to the extent possible, bearing in mind the wide-spread destruction of property and books and records in Yugoslavia caused by the war, furnish such information, including certified copies of books, records or other documents, as may be necessary or appropriate to support or refute, in whole or in part, any claim for participation in such amount, and to the same end will permit, in a manner consistent with Yugoslav law, the taking of depositions of such witnesses as may be requested by the Government of the United States.

(b) In the interest of protecting the Government of Yugoslavia from the possible assertion through third countries, or otherwise, of claims falling within the scope of this Agreement, the Government of the United States will supply to the Government of Yugoslavia, certified copies

of such formal submissions as may be made by claimants to such agency as may be established or otherwise designated by the Government of the United States to adjudicate claims to participation in the funds to be paid by the Government of Yugoslavia pursuant to this Agreement and of the corresponding awards of such agency with respect thereto. A certified copy of each such submission and award will be supplied to the Government of Yugoslavia within a reasonable time after its receipt or announcement. Subject to such rules and regulations as may be established with respect to proceedings of such agency, the Government of the United States further agrees to make available to the Government of Yugoslavia, upon its request, certified copies of transcripts of any proceedings before such agency and certified copies of documents submitted to such agency in support or in refutation, in whole or in part, of any claim submitted thereto. Subject to such rules and regulations, and with the consent of such agency, the Government of Yugoslavia may file briefs as *amicus curiae* with respect to any specific claims.

Article 10

(a) The Government of Yugoslavia shall authorize persons residing in Yugoslavia who are legally indebted to any individual, firm, or governmental agency in the United States, to meet such indebtedness on maturity.

(b) To the extent feasible, considering Yugoslav foreign exchange resources and regulations, and when necessary to effectuate the purposes of paragraph (a) of this Article, the Government of Yugoslavia shall permit the use of dollars by, or provide dollars to those Yugoslav residents legally owing dollar obligations arising from commercial transactions involving goods or services.

Article 11

The Government of Yugoslavia agrees to give sympathetic consideration to applications for transfers to the United States of deposits in banks of Yugoslavia and other similar forms of capital owned by nationals of the United States, where the amounts involved are small but which, in view of the circumstances, are of substantial importance to the persons requesting the transfers.

Article 12

The present Agreement shall come into force and effect upon the date of signature.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed the present Agreement.

AGREEMENT REGARDING SETTLEMENT FOR LEND-LEASE, MILITARY RELIEF, AND CLAIMS

The Government of the United States of America and the Government of the Federal People's Republic of Yugoslavia have reached an understanding regarding a settlement for lend-lease, for the obligation of the Government of Yugoslavia to the Government of the United States for civilian supplies furnished as military relief, and for other claims of each Government against the other arising out of the conduct of the war. In arriving at this understanding, both Governments have recognized the benefits accruing to each from the contributions of both to the defeat of their common enemies. This settlement is complete and final and both Governments agree that, except as provided in this Agreement, no further benefits will be sought by either Government from the other as consideration for the foregoing.

1. The term "lend-lease article" as used in this Agreement means any article transferred by the Government of the United States under the Act of March 11, 1941:

(a) to the Government of Yugoslavia, or

(b) to any other government and retransferred to the Government of Yugoslavia.

2. The Government of Yugoslavia receives, without qualification as to disposition or use, full title to all lend-lease articles, other than those described in numbered paragraphs 3 and 4 below.

3. The Government of the United States reserves the right to recapture any lend-lease articles of types defined as arms, ammunition and implements of war by Proclamation Number 2776 issued by the President of the United States on March 28, 1948, 13 Federal Register 1623, March 27, 1948, which are held by the Government of Yugoslavia on the date on which notice requesting return is communicated to the Government of Yugoslavia. The Government of the United States has indicated that it does not intend to exercise generally its right to recapture such articles. The Government of Yugoslavia will not retransfer or dispose of such articles to any third country or for export without the prior consent of the Government of the United States.

August 1, 1948

4. To the extent required by United States law, vessels which were made available to the Government of Yugoslavia under lend-lease will be returned to the Government of the United States.

5. The Government of Yugoslavia, in consideration of supplies and services received as lend-lease, in consideration of its obligation to the Government of the United States for civilian supplies received as military relief, and in consideration of the other provisions of this Agreement, will pay to the Government of the United States the sum of 45,000,000 Yugoslav dinars, by either of the methods designated in subparagraphs (a) and (b) below, or any combination thereof, designated by the Government of the United States:

(a) By delivery of title to the Government of the United States of such real property and improvements to real property in Yugoslavia for diplomatic or consular purposes, as may be selected and determined by agreement between the two Governments, at values or prices to be agreed between the two Governments;

(b) By providing to the Government of the United States, at such time or times and in such amounts as may be desired by the Government of the United States, Yugoslav currency to be used for the purchase of such real property and improvements to real property in Yugoslavia for diplomatic or consular purposes or for such other expenses of United States diplomatic or consular missions, excepting the purchase of commodities for export, as the Government of the United States may desire. The Government of Yugoslavia agrees that with respect to the Yugoslav dinars to be paid by the Government of Yugoslavia as above, the Government of Yugoslavia will grant the Government of the United States privileges and rates of conversion, in the event of any future currency conversion, no less favorable than those granted generally to nationals of Yugoslavia and in no event less favorable than those granted to the Government of any third country. The Government of Yugoslavia agrees that, should any future currency conversion nevertheless result in inequity to the Government of the United States with respect to any amount of such Yugoslav dinars, the privileges and rates of conversion to be applied to such amount of Yugoslav dinars shall be subject to agreement between the two Governments.

6. In reference to numbered paragraph 5 above, in case the Government of the United States wishes to acquire any property located in Yugoslavia, real or personal, tangible or intangible, except for export, or to furnish any property so located, the Government of Yugoslavia will at any time or times, as requested by the Government of the United States, enter into negotiations, and use its best efforts consistent with public policy, to reach an agreement with the Government of the United States whereby there will be delivered to the Government of the United States the properties, improvements, or furnishings which the Government of the United States desires or its representatives have selected. Representatives of the Government of the United States may at their discretion conduct discussions directly with owners of property or with contractors for improvements or furnishings as to fair terms and prices prior to the delivery of such property or improvements or furnishings to the Government of the United States.

7. The Government of Yugoslavia will process the claims described in the following subparagraphs (a), (b), (c), and (d) and will discharge the liability with respect thereto of the Government of the United States and of individuals, firms, and corporations against whom such claims are asserted:

(a) Claims against the Government of the United States, or respecting which the ultimate liability is that of the Government of the United States, arising from maritime incidents or transactions occurring on or after

April 6, 1941 and prior to July 1, 1946, asserted in courts of Yugoslavia or asserted anywhere by individuals, firms, and corporations, nationals of Yugoslavia at the time of the event giving rise to the claims.

(b) Claims of individuals, firms and corporations domiciled in Yugoslavia at the time of the use or infringement giving rise to the claim against the Government of the United States, its contractors or subcontractors, for royalties under contracts for the use of inventions, patented or unpatented, or for infringement of patent rights, in connection with war production carried on or contracted for on or after April 6, 1941 and prior to July 1, 1946 by the Government of the United States, its contractors or subcontractors.

(c) Claims of individuals, firms, and corporations domiciled in Yugoslavia at the time of the event giving rise to the claim against the Government of the United States arising out of the requisitioning on or after April 6, 1941 and prior to July 1, 1946 for use in the war program of property located in the United States in which the claimant asserts an interest.

(d) Claims, whether contractual or noncontractual, of individuals, firms, and corporations domiciled in Yugoslavia at the time of the event giving rise to the claim against the Government of the United States, its agents, employees, and military personnel, arising out of any act or omission of its agents, employees, and military personnel, both line-of-duty and non-line-of-duty, occurring on or after April 6, 1941 and prior to July 1, 1946.

8. The Government of the United States and the Government of Yugoslavia, except as otherwise provided in this Agreement, mutually waive all claims of each against the other, and against agents, employees, and military personnel of the other, described in the following subparagraphs (a), (b), (c), (d) and (e):

(a) Claims arising out of lend-lease.

(b) Claims arising out of military relief.

(c) Claims arising out of the procurement or furnishing of supplies and services through any other arrangements on or after April 6, 1941 and prior to July 1, 1946, other than claims of Yugoslav nationals for services performed for the United States Forces while in the custody of such Forces and represented by military payment orders or certificates of credit balances issued by such Forces.

(d) Claims arising out of the billeting of personnel on or after April 6, 1941 and prior to July 1, 1946.

(e) Claims arising out of maritime collisions and other ocean shipping incidents and transactions occurring on or after April 6 1941 and prior to July 1, 1946.

9. Nothing in this Agreement affects the obligation of the Government of Yugoslavia under Article IV of the Preliminary Agreement of July 24, 1942.

10. To the extent that the provisions of this Agreement are inconsistent with those contained in any previous agreement, the provisions of this Agreement shall prevail.

11. This Agreement shall be effective upon the date of signature.

IN WITNESS WHEREOF the undersigned, being duly authorized thereto by their respective Governments, have signed the present Agreement.

DONE in duplicate, in the English language, at Washington this nineteenth day of July, 1948.

For the Government of the United States of America:

GEORGE C. MARSHALL
Secretary of State

For the Government of the Federal People's Republic of Yugoslavia:

OBREN BLAGOJEVIC
Deputy Minister of Finance

Department of State Bulletin

Third Currency Reform Law in Germany

[Released to the press by the OMGUS June 26]

The military governors of the American, French, and British zones announced at 1300 hours today (26 June 1948) the third law for the reform of the currency.

As is already known, the first law for the reform of the currency was announced on 18 June;¹ and the second law, which did not affect the public directly, but which authorized the Bank Deutscher Laender to issue currency and limited the maximum amount of currency which could be issued, was announced on 21 June.

The third law, which goes into effect at midnight on June 26, sets the rate and conditions for the exchange of old money for new and also prescribes what must be done about old debts, contracts, wage scales, social insurance, other forms of insurance, et cetera, now that new currency has been issued.

In the explanation of Law Three which follows, the term "old money credit balances" (*Altgeldguthaben*) will be understood to mean the sum of cash surrendered and deposits reported during the past week by individuals and family heads on form A and by enterprises on form B.

Law Three is long and complicated and is already supplemented by three "administrative regulations", but the following summary covers the most important points affecting the vast majority of the population:

1. **CONVERSION RATE:** In principle, old money credit balances (which by definition include surrendered cash) reported on forms A or B will be converted into deutsche marks at the rate of one deutsche mark for every 10 old marks. However, the law provides for investigation of all but a minimum amount (as explained under 4) before any conversion takes place.

2. **FREE AND BLOCKED ACCOUNTS:** One half of the deutsche marks after conversion will be credits to a "free deutsche mark account" (*Freikonto*) and the other half will go into a "blocked deutsche mark account" (*Festkonto*).

Money in the Freikontos may be withdrawn and used as soon as the financial institutions involved have completed the necessary clerical work.

Military Government will issue further regulations concerning the money in the Festkontos within 90 days. The law makes no promises or predictions as to what will be done with the Fest-

Statement by Secretary Marshall on Berlin Situation

[Released to the press July 21]

I can merely say at this time that our position I think is well understood. We will not be coerced or intimidated in any way in our procedures under the rights and responsibilities that we have in Berlin and generally in Germany. At the same time we will proceed to invoke every possible resource of negotiation and diplomatic procedure to reach an acceptable solution to avoid the tragedy of war for the world. But I repeat again, we are not going to be coerced.

kontos. They will be released as and when economic conditions permit, except for those balances that the tax authorities have found to be of illegal origin.

3. **POSSIBLE ADDITIONAL CLAIM:** In addition to the conversion of one deutsche mark for ten old marks, the law provides that holders of the old money credit balance may at some future time be granted a further claim of a maximum of one deutsche mark for every ten old marks.

Military Government will decide in what amount and in what manner this claim may be granted but only after considering the views of the competent German legislative bodies. The law does not suggest any of the forms this additional payment might take.

4. **CLEARANCE BY TAX OFFICE:** The currency-reform laws have been carefully designed to catch speculators and profiteers. As is already known, one copy each of form A and form B has been sent on to the appropriate tax office. However, it is obvious that examination of these forms in the tax office will take a considerable time. Therefore, Law Three provides that in the case of individuals or families who have reported on a single form A, 5,000 reichsmarks of the total amount of the old money credit balance will be released for conversion immediately without clearance by the tax office.

In the case of tradesmen or members of a pro-

¹ BULLETIN of June 27, 1948, p. 835.

fession, the amount which can be converted immediately will be increased to 10,000 reichsmarks, if the applicant produces a "provisional clearance certificate" from the tax office.

In the case of enterprises, the total amount of the old money credit balance reported on form B will be released for immediate conversion if a provisional clearance certificate is obtained from the tax office. A certificate from the labor office or a wage-tax declaration indicating that the enterprise employs at least 20 persons will be accepted in lieu of the provisional clearance certificate from the tax office.

Thus an adequate supply of money will be available immediately to meet the essential needs of all citizens and keep trade and industry going, and a bottleneck at the tax office will be avoided.

Under the above procedure, the tax office is also enabled to prevent the conversion of illegal earnings, since the Festkontos will not be released until the tax-office investigations are complete, regardless of whether or not the Festkontos are released in principle by Military Government decision. Also, no old money credit balance which is not converted immediately under the above provisions can be converted before final tax-office approval is given.

5. INVESTIGATION BY TAX OFFICE: The tax office will investigate on the basis of the forms A and B which have been submitted whether all taxes due have been paid. Unless otherwise provided in Law Three or regulations made thereunder the provisions of the existing tax laws (*Reichsabgabenordnung*) will apply. If tax evasions or illegal transactions are discovered, a reichsmarks fine will be imposed. Where the tax evasion is related to illegal transactions, the fine will be so calculated as to amount, together with the amount of tax due, to a sum at least equal in reichsmarks to the amount gained by the offender in the illegal transactions. In other words, the tax office is in position to wipe out any profit made by illegal dealings. In cases where reichsmark balances do not cover back taxes and fines, payment must be made in deutsche marks at the rate of one to ten or out of other property of the offender.

6. DEDUCTIONS FOR DEUTSCHE MARKS ALREADY ISSUED: The 60 deutsche marks per capita which has already been given out in cash and credit to each member of the population must be counted as part of the one-for-ten conversion provided for in Law Three. That is, each person who has already drawn 40 deutsche marks and received the right to obtain another 20 deutsche marks later on is considered to have used up the first 540 reichsmarks in his old money credit balance. (The figure here is 540 instead of 600 since due allowance is made for the 60 reichsmarks handed in in cash at the time the 60 deutsche marks per capita were given or credited in exchange.)

This in effect means that those persons who have

old money credit balances of more than 540 marks per person have not been given the more favorable exchange rate which is reserved for persons who have really small holdings of money.

Here is an example of how the above deduction is applied: Suppose that a family of five has reported on its form A an old money credit balance of 10,000 reichsmarks. Five hundred forty marks must be deducted for each member of the family, leaving a total of 7,300 reichsmarks. But only 5,000 of this can be converted immediately. This conversion yields 500 deutsche marks, of which 250 go into the family's Freikonto available for immediate use, while the other 250 deutsche marks go into the family's Festkonto. The remaining 2,300 reichsmarks can be converted in the same manner after final clearance by the tax office.

Similarly, the old money credit balance of enterprises will be reduced by 10 reichsmarks for every deutsche mark which has already been released to these enterprises as a temporary assistance. Thus an enterprise with 100 workers which has already received 6,000 deutsche marks (60 per worker) would have its old money credit balance reduced by 60,000 reichsmarks.

7. UNREPORTED CREDIT BALANCES: Old currency credit balances which were not reported on form A or B by 26 June as provided in Currency Reform Law No. 1 cannot be converted. However, special provision is made for prisoners of war who have recently returned or who will be returning in the near future and for some other exceptional cases.

8. OLD CURRENCY CREDIT BALANCES WHICH ARE NOT CONVERTIBLE: The old currency credit balances of all governmental agencies, the railway and postal administrations, the NSDAP, the Reich, the Reichsbank, et cetera, will not be converted. In other words, the reichsmark accounts of these agencies will be wiped out. A reasonable one-time payment of new currency will be made to governmental agencies to start their operations. The funds of the occupying powers, including the reichsmarks collected for food imports, will also receive this treatment.

9. DEBTS: In general, reichsmark debts which were still unpaid on 21 June will be settled by the debtor paying to the creditor one deutsche mark for every 10 reichsmarks due. Should any additional claim be allowed to holders of old money credit balances (*Altgeldguthaben*), creditors will be treated accordingly. Forthcoming German legislation on equalization of burdens is expected to take care of cases where the debtor makes a profit by virtue of the conversion of his debt from reichsmarks to deutsche marks. The following reichsmark obligations, however, will be settled by the debtor paying to the creditor one deutsche mark for each reichsmark due:

(a) Wages and salaries, rentals, annuities, pen-

sions, and other recurrent payments coming due after 20 June 1948;

(b) Obligations arising out of contracts for the purchase of goods or services insofar as the contracts were not fulfilled before 21 June 1948;

(c) Certain obligations arising out of settlements between partners, coheirs, married persons, divorced persons, and parents and children;

(d) All reichsmark obligations incurred on 19 and 20 June 1948.

Any person liable for a money debt under the provisions of (b) above may, with certain exceptions, withdraw from the contract at any time before 11 July 1948.

10. **DEBTORS' RELIEF:** The law provides that the courts can order postponement or reduction of debts which the debtor cannot reasonably be expected to pay on the date due. However, wages and salaries falling due after 20 May 1948 may not be reduced or postponed under the above provisions.

11. **MORTGAGE BONDS:** Mortgage bonds, agricultural mortgage bonds, municipal bonds, and other certificates of indebtedness issued by mortgage banks, institutions for municipal credit, ship-mortgage banks, and sinking-fund institutions will be converted by substituting one deutsche mark for every 10 reichsmarks or gold marks.

12. **SOCIAL INSURANCE:** The law states that the reform of social insurance shall be the responsibility of German legislative bodies. Pending such reform, social-insurance payments will for the time being be made in the same nominal amount in deutsche marks as was previously required in reichsmarks. Land governments may alter social-insurance payments and contributions until the enactment of new legislation by German legislative bodies.

13. **INSURANCE OTHER THAN SOCIAL INSURANCE:** The paid-in value of life-insurance policies or insurance contracts will be scaled down on the basis of one for ten like other private debts. In view of the nature of insurance this does not mean an automatic reduction in future benefits of as much as 90 percent.

14. **ADAPTATION OF LABOR AND CIVIL SERVICE LEGISLATION:** Employment contracts entered into before 21 June 1948 which, in accordance with existing provisions or agreements, may be terminated only after 30 September 1948, may nevertheless be terminated by six weeks' notice expiring on the day falling midway between the earliest permissible date for giving notice under the contract and 30 September 1948, but in any case not later than 31 March 1949. If the agreed salary amounts to more than 800 reichsmarks per month, the employment contract may be terminated by four weeks' notice expiring 30 September 1948.

The Law also gives authority to (1) the Executive Committee of the Bizonal Economic Administration, (2) the Bank Deutscher Laender, and (3) the Land governments to take such measures in the field of civil service law, and particularly in regard to pay and allowances, as may appear to them necessary to stabilize the currency and public finances. This amounts to broad authority to adjust pay and allowances and certain other working conditions of practically all civil servants, including railway and postal employes, in the three Western Zones. This special authority will expire 31 March 1949.

15. **PROHIBITION OF BUDGETARY DEFICITS:** Although reichsmark balances of public authorities were wiped out without conversion, the law provides that expenditures of public authorities must be covered by current incomes. Procurement of necessary funds by borrowing will be lawful only to the extent that loans are covered by anticipated future revenues. Military Government reserves to itself the right to intervene in budgetary matters if the maintenance of this principle is imperiled.

16. **EQUALIZATION OF BURDENS:** The funds required to carry out the equalization of burdens arising out of inflation and currency reform will be provided by means of special levies on property, the receipts from which will be paid to an equalization fund outside the budget. Further provisions for the equalization of burdens are to be made in German legislation to be enacted by 31 December 1948, as called for in the preamble of the first currency-reform law.

17. **PENAL PROVISIONS:** Prison terms of up to five years and fines of up to 50,000 deutsche marks, or both, are provided for persons wilfully violating this law.

18. **DATE EFFECTIVE:** This law will come into force on 27 June 1948.

Settlement of Lend-Lease and Reciprocal-Aid Accounts in the United Kingdom

The Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland have reached agreement regarding settlement of lend-lease and reciprocal-aid accounts and certain financial claims of each Government against the other.¹ This agreement modifies and supplements the specific agreements between the two Governments signed on March 27, 1946, which implemented the joint statement of December 6, 1945, regarding settlement for lend-lease, reciprocal aid, surplus war property, and claims.²

¹ For text of the agreement, see Department of State press release 566 of July 15, 1948.

² BULLETIN of Apr. 7, 1946, p. 581, and Dec. 9, 1945, p. 905.

Reference Materials to U.S. Licensed Newspapers in Germany

EXCHANGE OF LETTERS BETWEEN ASSISTANT SECRETARY SALTZMAN AND WILLIAM BENTON

July 6, 1948

DEAR MR. SALTZMAN:

I've been in touch with the United States delegates who shared with me the responsibility of representing our country at the United Nations Conference on Freedom of Information at Geneva this spring. We have developed a project on which we should like to have your advice and assistance.

Those members of our delegation who had the opportunity to visit the U.S. Zone of Germany were impressed with the seriousness of the problems faced by U.S. licensed newspapers in their earnest efforts to create a free German press. One of these problems is lack of reference materials.

Mr. Harry Martin, President of the American Newspaper Guild, who was one of our U.S. Delegates, reported as follows: "Almost without exception the editors and their staffs said to me that the lack of suitable reference books is their greatest single handicap. The only such books left to our friends of the German press today are those which were so badly doctored by the Nazis that they are no longer serviceable or dependable."

Since these German newspapers do not have the foreign exchange to buy reliable reference works I have undertaken to provide, without charge, fifty-one sets of the Encyclopaedia Britannica for this purpose.

Joining me in sponsoring this proposed gift are the other five U.S. Delegates of the Geneva Conference: Mr. Sevellon Brown, Editor and Publisher of the Providence Journal and president of the American Press Institute; Mr. Erwin Canham, editor of the Christian Science Monitor and president of the American Society of Newspaper Editors; Professor Zechariah Chafee, Jr. of Harvard University; Mrs. Oveta Culp Hobby, executive vice-president of the Houston Post; and Mr. Harry Martin of the Memphis Commercial Appeal, and president of the American Newspaper Guild.

Our delegates were again impressed at Geneva with the fact that freedom of the press cannot be fully realized in the absence of adequate facilities. In their official report they stated: "Effective freedom of information—with all that it connotes for the democratic way of life—is impossible on both the national and international planes in the case of countries suffering from crippling deficiencies in the sinews of communication." This reference book project is a token of their belief.

The fifty-one sets of the Encyclopaedia Britannica are intended one each for the forty-nine licensed newspapers in the U. S. Zone; one for DENA, the U.S. sponsored news agency in our zone; and one for the U.S. sponsored news agency in Austria. I am attaching a list of forty-nine newspapers which was currently available this spring. It is possible that there may have been changes since then, and we shall be glad to make adjustments.

We would appreciate your comments on this proposal, and if you are agreeable we would be glad to have you or Omega make the distribution.

Very sincerely yours,

WILLIAM BENTON,
Publisher

July 16, 1948

DEAR MR. BENTON:

I am very happy to have your letter of July 6, 1948, describing the generous project which you have undertaken in association with your fellow-delegates to the recent United Nations Conference on Freedom of Information at Geneva.

Your proposal to provide 51 sets of a reliable and universally acceptable reference work such as the Encyclopaedia Britannica for the use of journalists in Germany and Austria will meet a need keenly felt by men now striving against great handicaps to develop a democratic press in those countries. It will contribute materially to the carrying out of the basic reorientation objective of our occupation policy. This is a heartening example of how public-spirited citizens in their private capacities can supplement and strengthen important overseas programs of our Government which are conducted with the necessarily limited public funds available for the purpose. In a wider sense, your project serves to demonstrate the sincere devotion of the American people to the principle of freedom of information, which underlies the public statements of our official representatives at international gatherings.

I am referring a copy of your letter to the Department of the Army for their guidance in arranging to receive this handsome gift for distribution in the occupied areas under their jurisdiction. It is noted in this connection that adjustments will be feasible to accord with any changed circum-

stances since your tentative list of appropriate recipients was compiled.

The Department of State is deeply gratified to be informed of this project and confidently believes that it will have the great and continuing results which you and your associates seek.

Sincerely yours,

CHARLES E. SALTZMAN
Assistant Secretary

49 U.S. Zone Licensed Newspapers

Bavaria:

Fraenkische Landeszeitung, Ansbach; Main Echo, Aschaffenburg; Schwaebische Landeszeitung, Augsburg; Suedost-Kurier, Bad Reichenhall; Fraenkischer Tag, Bamberg; Fraenkische Presse, Bayreuth; Neue Presse, Coburg; Hochland Bote, Garmisch-Partenkirchen; Frankenpost, Hof; Donau Kurier, Ingolstadt; Der Allgaeurer, Kempten; Isar Post, Landshut; Muenchner Merkur, Munich; Sueddeutsche Zeitung, Munich; Nuernberger Nachrichten, Nuremberg; Passauer Neue Presse, Passau; Mittelbayerische Zeitung, Regensburg; Oberbayerisches Volksblatt, Rosenheim; Der Volkswille, Schweinfurt; Der Neue

Tag, Weiden; Main Post, Wuerzburg; Niederbayerische Nachrichten, Straubing.

Hesse:

Darmstaedter Echo, Darmstadt; Frankfurter Neue Presse, Frankfurt; Frankfurter Rundschau, Frankfurt; Fuldaer Volkzeitung, Fulda; Glessener Freie Presse, Glessen; Hessische Nachrichten, Kassel; Kasseler Zeitung, Kassel; Offenbach Post, Offenbach; Marburger Presse, Marburg; Wetzlarer Neue Zeitung, Wetzlar; Wiesbadener Kurier, Wiesbaden; Werra Rundschau, Eschuege.

Wuerttemberg-Baden:

Neue Wuerttembergische Zeitung, Goepingen; Rhein Neckar Zeitung, Heidelberg; Heilbronner Stimme, Heilbronn; Badische Neueste Nachrichten, Karlsruhe; Der Mannheimer Morgen, Mannheim; Sueddeutsche Allgemeine, Pforzheim; Das Wuerttembergische Zeit Echo, Schwaebisch-Hall; Stuttgarter Nachrichten, Stuttgart; Stuttgarter Zeitung, Stuttgart; Fraenkische Nachrichten, Tauberbischofsheim; Schwaebische Donau Zeitung, Ulm.

Berlin:

Der Tagesspiegel, Berlin; Der Abend, Berlin.

Bremen:

Weser Kurier, Bremen; Nordsee Zeitung, Bremerhaven.

Hungary Assures U.S. That Its Citizens Are Not Restricted in Listening to Voice of America

EXCHANGE OF NOTES BETWEEN THE U.S. AND HUNGARY

[Released to the press July 22]

July 20, 1948

The Secretary of State presents his compliments to the Chargé d'Affaires ad interim of Hungary and acknowledges the receipt of the Legation's note No. 3330/1948 of July 14, 1948, concerning a recent statement by the Assistant Secretary of State for Public Affairs regarding persons in Hungary who listen to "Voice of America" broadcasts.¹

The Secretary of State welcomes particularly the statement, in the note under reference, that there are no legal or police restrictions in Hungary against any citizens listening to American broadcasts and that no one has been persecuted or arrested there for listening to American or any other broadcasts. The Government of the United States is convinced that the peoples of the world must be permitted to obtain news from a multiplicity of sources both within and outside their national boundaries, if they are to be able to judge for themselves the truth or falsehood of the information they read or hear.

As the United States Delegation emphasized at the recent conference on Freedom of Information at Geneva, "Freedom to Listen" has become a cardinal requirement in the modern world. The Government of the United States is led to assume, from the Legation's statement, that the Hungarian

Government intends to give effect to this principle. The American public had gained a contrary impression regarding the Hungarian Government's attitude on this point, not only from reports received from Hungary but also from the tenor of statements appearing in the Hungarian press itself. The Secretary of State therefore welcomes the Legation's affirmation that these impressions are unfounded.

The Secretary of State also notes the Legation's categorical denial of recent articles in American newspapers including a report alleging that collectivization of land in Hungary is imminent and, in this connection further, the Legation's reference to explicit declarations by the Hungarian Government on several occasions that it has not the remotest intention of introducing this measure in Hungary.

In the light of the considerations stated above, the Government of the United States believes that public understanding both here and in Hungary will be served by the release of this correspondence to the press and that free peoples everywhere will observe attentively the support which the Hungarian Government gives in the future to the principle of "Freedom to Listen".

¹ BULLETIN of July 18, 1948, p. 91.

A copy of this communication is being transmitted to the Hungarian Government through the American Legation in Budapest, which is in receipt of a note from the Hungarian Foreign Office on the same subject.

DEPARTMENT OF STATE,
Washington

July 14, 1948

The Chargé d'Affaires ad interim of Hungary presents his compliments to the Honorable the Secretary of State and upon instructions received from his Government has the honor to draw his attention to the following:

On July 10, 1948 several newspapers in the United States published a statement made by Mr. George V. Allen, Assistant Secretary of State for Public Affairs in which he denounced the Government of Hungary for arresting and charging persons for listening to broadcasts of the "Voice of America".

In the above mentioned statement Mr. Allen himself admits that there exist "no legal or police restrictions against listening to American broadcasts" in Hungary but he maintains "that these measures take the form of arrest of persons on charges of inciting against Hungarian democracy. The police cite as one of the evidences of guilt, the fact that the persons arrested have listened to 'Voice of America' broadcasts".

The Chargé d'Affaires ad interim of Hungary deeply regrets that he has to denounce the statement of Mr. Allen as being entirely mistaken and not covering the facts. The situation in Hungary is that not only are there no legal or police restrictions against any citizens listening to American broadcasts in Hungary but never has anybody been persecuted or arrested in Hungary for listening to American or any other broadcasts. In fact the Hungarian police have never detained anybody with the charge that he or she listened to American broadcasts.

The Chargé d'Affaires ad interim of Hungary has no doubts that in accordance with Paragraph B, of the Presidential Executive Order of March 8, 1927 the appropriate United States diplomatic representatives in Budapest have been "keeping the American Government promptly and accurately informed" of the situation as it existed in Hungary and in their reports have given a denial to Mr. Allen's statement to that effect.

It goes without saying, however, that police in Hungary will detain and prosecute anybody who incites against Hungarian democracy according to the law voted by the Hungarian Parliament which was duly elected by the free will of the Hungarian people. This is a primary duty of Hungarian policemen entrusted with the peaceful enforcement of the law.

The Chargé d'Affaires ad interim of Hungary has no doubts that the Honorable Assistant Secretary does not wish Hungarian law enforcing of-

ficers to disobey the laws entrusted to them by the democratic Government of Hungary as this would indeed, present a serious case of interference by a foreign government official of high standing into the internal affairs of a sovereign nation with which the United States maintains peaceful and orderly diplomatic relations. Furthermore, the Chargé d'Affaires ad interim of Hungary has no doubt that the Assistant Secretary does not wish to induce the responsible Government of Hungary to the infringement of the fulfilling of the obligations as imposed by the Peace Treaty which was agreed upon by the Allied Powers after their joint victory over Nazism and Fascism. This Treaty, to the enforcement of which the United States assumed a commitment of support, clearly indicates that one of the primary duties of the responsible democratic Government as set forth, is to uproot and abolish the existing remnants of notorious prewar and wartime Hungarian reactionary Fascist regimes. These remnant elements are a constant threat to world peace by their spreading of war propaganda and inciting hatred between peaceful nations. Thus the Hungarian law prosecuting them evolved from the necessity of a crucial situation in the development of Hungarian democracy, and constitutes merely an exercise in the right of self-defense of a sovereign, democratic government.

The Chargé d'Affaires ad interim of Hungary, however, concedes that it is a most regrettable occurrence that the persons on whose recent arrests Mr. Allen has based his above-quoted statement, when detained for spreading the rumor that the dropping of atomic bombs over Hungary is only a matter of a few weeks, claimed that it was the "Voice of America" broadcasts which bore directly on their actions.

Hungarian law enforcement officers commendably fulfilling their duty, cannot by any means be made responsible for the fact that persons in detention refer the general prospect of an atomic war to broadcasts which are headed by Mr. George V. Allen.

Mr. Allen, referring to the new broadcasts of the "Voice of America" says that they "are factual, objective reports such as the American public reads and listens to daily in American newspapers and radio broadcasts".

The Chargé d'Affaires ad interim of Hungary takes this occasion to declare that in connection with events in Hungary in the course of the last few weeks several newspapers in the United States have published statements which were not only far from being "factual" and "objective" but were in their entirety, contrary to truth and misinformed the United States public about the actual situation in Hungary. They are in a direct contradiction to the principle of the First President of the United States who said that "It is essential that public opinion should be enlightened".

Voice of America Broadcasts Strengthened in Europe Through New Relay

[Released to the press July 18]

Inauguration of a new relay of Voice of America broadcasts by the British Broadcasting Corporation was announced on July 18 by the State Department.

The news service, which goes into effect on July 18, is provided for in agreements recently negotiated between BBC and the State Department. It contemplates the use of five additional transmitters to increase the BBC relays of Voice of America broadcasts from the present three hours to nine hours a day.

George V. Allen, Assistant Secretary of State for public affairs, said the increased relay service was undertaken to improve the signal of Voice of America broadcasts to Europe and to insure a larger listening audience in this vital target area.

As in the past, the BBC relays will include long, medium, and shortwave broadcasts. They will be in addition to the eight hours daily now relayed by the State Department's European relay base in Munich.

Reference has to be made to the report of Mr. John MacCormac of the July 1, 1948 issue of the New York Times in which he writes about collectivization of the land as about to be introduced in Hungary whereas the truth is that the present Hungarian Government on several occasions explicitly declared that it had not the remotest intention of introducing this measure in Hungary. In the same connection reference has to be made to certain reports published in numerous American newspapers concerning Hungarian monks and nuns fleeing the country because they do not want to serve in the nationalized schools whereas the truth is that most of the teachers of religious schools, monks and nuns included, are willing to continue their work in the schools and at the present time are engaged in negotiations with the Government through their representative committee of four outstanding Catholic religious leaders, discussing the details of the transition of schools unto government control.

The Chargé d'Affaires ad interim of Hungary wishes to express his thanks and appreciation for the good office of the Honorable Secretary of State.

The Honorable

GEORGE C. MARSHALL
Secretary of State

U.S. Proposals Regarding Resumption of Delivery of Electric Power to South Korea

EXCHANGE OF LETTERS BETWEEN GENERAL HODGE AND GENERAL MERKULOV

[Released to the press July 23]

General John R. Hodge, Commander of U.S. Army Forces in Korea, to General Merkulov

July 12, 1948.

This is to acknowledge receipt of your letter of 25 June 1948, which was delivered to me in Seoul on 2 July.

As I have often stated in the past, the American command in Korea would welcome the opportunity to reach settlement for all electric power hitherto received from northern Korea, and to come to a mutually satisfactory agreement relating to future deliveries of electric power. The American position in this matter has been clearly set forth by the United States Government note of 29 June 1948¹ to the Soviet Government, which says, in part: "It is the view of this government that so long as Soviet forces remain in occupation of North Korea, the Soviet command cannot divest itself unilaterally of its responsibilities, including the responsibility incurred under the agreement

of June 17, 1947. Should the Soviet command persist in refusing to maintain an adequate flow of electric power to South Korea, the people of that area will thereby be subjected to unwarranted hardships."

Following directive of the American command in past power negotiations, I expect to designate qualified Koreans to participate in any future negotiations on the power question. Similarly, it is acceptable to the American command if the Soviet command wishes to designate certain Koreans to act as its authorized representatives in accepting commodities transferred in payment for power under the 17 June 1947 agreement, and to participate in any further negotiations regarding electric power.

In order to promote the best interests of the Korean people, both north and south of the thirty-eighth parallel, I propose the following:

¹ BULLETIN of July 11, 1948, p. 50.

1. Immediate resumption of the flow of electric power from northern to southern Korea.

2. Simultaneous dispatch of representatives of Soviet command to Seoul to accept delivery of the first of many train-loads of valuable electrical equipment and other commodities, which were ordered on world markets to meet the requirements specified by the Soviet command.

3. Concurrent dispatch to Seoul of fully authorized representatives of the Soviet command, or agents designated and properly accredited by the Soviet command with full powers to act in their behalf, for the purpose of concluding a settlement for electric power received after 31 May 1947, and of reaching an agreement regarding payment for electric power to be received during the remainder of the occupation.

General Serafim Petrovich Merkulov, Commander of Soviet Army Forces in Korea, to General Hodge

June 25, 1948

I confirm having received your letter of June 12, 1948.² I informed the North Korea Peoples Committee of your proposal that the American Military Government in South Korea will offer commodities to North Korea in compensation for the electric power supplied.

The North Korean Peoples Committee informed me that immediately the American Military Government pays for the electric power supplied to South Korea for the period from August 15, 1945, through June 1947, which was to have been paid in full by December 17, 1947, under provisions of the agreement dated June 14, 1947, it will resume supplying electric power to South Korea.

In view of your statement that the commodities to be sent to North Korea in payment of the electric power supplies are already in Seoul warehouses, the North Korean Peoples Committee has decided to dispatch its representatives to Seoul to take delivery of the said commodities, when the American Military Government in South Korea will have a satisfactory opportunity to pay for the electric power supplies, and at the same time, to reach an agreement on the electric power to be supplied to South Korea in future.

With regard to your proposal for holding a parley in connection with the payment for electric power supplies to South Korea, as I have informed you already on several occasions, negotiations on this matter will have to be conducted with the North Korean Peoples Committee. I am well aware of the fact that the proposal for the Peoples Committee to initiate such negotiations already was submitted to you in March this year.

I am convinced that if you accept the aforementioned proposal of the North Korean Peoples Committee, the question of electric power supply to South Korea will be settled at an early date.

² Not printed.

Procedure for Filing Claims With Finland

[Released to the press July 15]

The Department is in receipt of a note from the Finnish Legation which reads in part as follows

"On April 23, 1948, the President of the Republic of Finland signed a law concerning compensation for losses caused by transferring of German property in Finland to the Union of Soviet Socialist Republics. On the basis of this law the Ministry of Finance gave on April 30, 1948 a decision according to which compensation for losses mentioned in said law are to be claimed in writing to the Ministry of Finance on or before June 30, 1948 or in case the permanent domicile or residence of the party entitled to compensation is outside Finland, on or before August 31, 1948. It is further stipulated in the decision that the parties entitled to compensation domiciled or residing abroad may within the time last mentioned above either deliver in person or send by mail the application for compensation to the Finnish Legations or to Consulates, the Chiefs of which are career officers."

The Department of State is seeking further information concerning the scope of the legislation involved but considers it desirable in the meantime to publish the information in view of the short time for filing claims. The offices in the United States which may receive such claims are the Legation of Finland, 2144 Wyoming Avenue, Washington, D.C., and the Finnish Consulate General, 53 Broadway, New York City.

It is suggested that American claimants inform the Department of any claims which they may file under the above legislation.

Belgium and Czechoslovakia Make Payments on Surplus-Property Credits

[Released to the press July 7]

The Department of State announced July 7 that the following payments have been received on U.S. war-surplus credit accounts:

Belgium has paid the sum of \$436,699.32 in principal and interest on its surplus credit account.

Czechoslovakia has paid the sum of \$182,164.03 in interest on its credit account. Both payments were made to the Paris office of the Foreign Liquidation Commissioner, Department of State, on July 1, 1948, the date they fell due.

The Belgian payment marks the second installment on the account. Of the \$436,699.32 paid, approximately \$118,000.00 was interest and the remainder principal.

The Czechoslovak interest payment is also the second paid on the account. Principal is not due until 1951. Both Belgium and Czechoslovak agreements provide interest at 2½ percent with annual payments over a 30-year period.

Adherence to General Agreement on Tariffs and Trade: Brazil, Burma, Ceylon, New Zealand, Pakistan, Syria, Lebanon

The President on July 15, 1948, issued a proclamation putting into effect as of July 30 and 31 the tariff concessions in schedule XX of the General Agreement on Tariffs and Trade, dated October 30, 1947, of primary interest to Ceylon and Lebanon and to Brazil and New Zealand, respectively.¹

The President's action followed receipt of information that the first two countries signed the protocol of provisional application of the general agreement on June 29, 1948, and that the latter two signed on June 30, 1948. The proclamation also states that Burma signed the protocol on June 29, 1948, and that Pakistan and Syria signed on June 30, 1948. Pursuant to the provisions of the protocol, each of these countries will become a contracting party to the agreement on the expiration of 30 days from the date of its signature.

The general agreement was entered into by the United States last October 30 at Geneva with 22 other countries. Application of it by the seven countries named brings to 22, out of the total 23, the number of negotiating countries applying the agreement. Chile, the remaining country, has asked for an extension of time in which to sign the protocol. In the case of six of the countries which have just adhered to the agreement, the event also marks the first entry into force of a trade agreement with the United States, Brazil being the only one of the seven which already had a trade agreement with this country. The earlier trade agreement with Brazil will be inoperative while both the United States and Brazil are contracting parties to the General Agreement on Tariffs and Trade.

Under the general agreement, the seven countries will make effective a wide range of tariff concessions benefiting the trade of the United States. Moreover, these countries, along with the other contracting parties, commit themselves to limitations with respect to the application of quotas, import restrictions, valuation for customs purposes, and the conduct of state trading. These provisions give important assurance that the trade of the United States will be accorded fair treatment. The United States on its part negotiated tariff concessions affecting a substantial volume of trade with all of the seven countries. The reciprocal benefits in the case of each of these countries are summarized below.

Brazil

In the general agreement Brazil granted concessions on products of primary interest to the United States representing about \$30,500,000 in terms of 1938 imports from the United States, or about one half of Brazil's total imports from the United States in that year.

The Brazilian duties used as a basis for negotiation were rates adjusted upwards by 40 percent under a plan consented to by the negotiators for the general adjustment of the Brazilian tariff designed to deal with changes in the value of the Brazilian currency and in the Brazilian price level. Concessions granted by Brazil consisted of reductions and bindings of adjusted duties and bindings on the free list. On the basis of 1938 figures, about 60 percent of United States export trade covered by Brazilian concessions (over \$17,000,000 out of \$30,500,000) will be dutiable at rates equivalent to less than 10 percent ad valorem on the basis of 1943 values; about \$5,000,000 more of that trade will be dutiable at between 10 and 20 percent ad valorem; and another \$3,500,000 will be subject to rates between 20 and 30 percent ad valorem. In addition, nearly \$2,500,000 in trade is assured a continuance of the present duty-free treatment.

Reductions in pre-agreement duty rates were granted by Brazil on a number of items of importance to the United States such as powdered milk, walnuts in the shell, canned fruit, radio tubes, coal-tar dyes, paraffin, turpentine, certain automobile parts, steel safes, cameras, ready-made woven cotton clothing (except shirts and drawers), and bituminous coal. The bindings granted on the adjusted tariff rates, or reductions therefrom, include such items as barbed wire, airplanes and parts, most trucks, power pumps, motion-picture films, photographic films and plates, steam boilers, power excavators and dredgers, pneumatic and electric tools, automatic refrigerators, most household machinery and appliances, calculating machines, linotypes and other typographical machines, and passenger automobiles.

The concessions made by the United States in the general agreement on products of primary interest to Brazil represent in terms of 1939 trade about \$100,200,000. Of this total, duty-free imports, on

¹ Proclamation 2798, 13 *Fed. Reg.* 4057.

which bindings were granted, accounted for \$93,100,000, a large part of which consists of coffee. The dutiable imports amounted to \$7,100,000. The principal items in this category, on which bindings of existing rates or reductions therefrom were granted, include Brazil nuts, castor oil, manganese ore of more than 35 percent manganese content, mica, unmanufactured, valued above 15 cents a pound, cocoa butter, animal glues valued at less than 40 cents a pound, caffeine, theobromine, natural menthol, dried bananas, and various hardwood lumber items.

Burma

Items of principal interest to the United States on which Burma made concessions are canned milk, canned or bottled fruits and vegetables, lubricating oil, various chemicals, drugs and medicines, machinery, and typewriters. Because of its dollar shortage, the Government of Burma has restricted imports from hard-currency areas to those items which are most essential to its economic reconstruction program. It is expected that most dollar exchange will therefore be reserved for capital goods, particularly communications equipment, power equipment, mining and textile machinery, and other industrial materials for the rehabilitation of key industries.

United States concessions from which Burma will benefit include those on tungsten, nickel and alloys, copper and manufactures, and certain hides and skins.

Ceylon

Under the general agreement Ceylon granted concessions on products of primary interest to the United States which in terms of 1939 imports from the United States represented more than \$844,000. The United States will also benefit from additional Ceylonese concessions negotiated with other countries at Geneva, imports of which into Ceylon from the United States amounted to \$93,000 in 1939. These concessions were given in the form of reductions in the rates of duty, bindings against increase of existing moderate rates of duty, a binding of the duty-free status of one item, and a reduction in the margin of preference on another. Ceylonese concessions of principal interest to the United States were on apples and other fresh fruit, dried and canned fruit, condensed milk and milk foods, tobacco, machinery, radios, refrigerators, typewriters, paints, drugs, and medicines.

United States tariff concessions on products of interest to Ceylon apply to imports from Ceylon which amounted to \$20,788,000 in 1939. These concessions consisted of reductions in and bindings of rates of duty on imports from Ceylon in 1939 valued at \$162,000, and the binding of the duty-free status of imports from Ceylon which amounted to \$20,626,000 in 1939. United States

concessions of interest to Ceylon are on graphite, coconut oil, desiccated coconut, coir fiber, rubber, tea, cinnamon, and citronella oil.

New Zealand

New Zealand granted concessions on products of interest to the United States representing about \$12,896,000 in terms of 1939 trade. These concessions were given in the form of reductions in the rates of duty, bindings against increase of moderate rates of duty, reductions in the margin of preference, the elimination of certain margins of preference, and bindings of duty-free status. Some of the products falling into these categories are as follows: raisins, citrus fruits, certain canned fruits, agricultural machinery, automobiles, tractors, machine tools, office machinery, tobacco, motorcycles, cinema films, and surgical appliances. New Zealand eliminated preferences on 11 items accounting for \$2,631,000 of New Zealand imports from the United States in 1939, namely: cigarettes, tobacco for cigars and cigarettes, grapes, and lemons (except for South Africa), canned prunes, sausage casings, furs, refrigerating apparatus, adding and computing machines.

The concessions on products of interest to New Zealand made by the United States apply to commodities valued at \$9,690,000 in terms of 1939 trade. United States tariff reductions apply to a total of \$1,579,000; bindings against increase of certain duties, to \$2,149,000; and bindings on the free list, to \$5,962,000. Among the products of interest to New Zealand on which the United States reduced or bound its duties are butter, beef, veal, mutton, certain grass seeds, and apparel wools. The bindings of duty-free status apply to the following products of interest to New Zealand: sheep and lamb skins, sausage casings, coney and rabbit furs, and New Zealand fiber.

Pakistan

In the general agreement Pakistan granted concessions on several important United States export products among which are dried and condensed milk, certain canned fruits and vegetables, drugs, oil crushing and refining machinery, typewriters and office machinery, agricultural machinery and tractors, radios, and automobiles. These concessions were in the form of reductions in the rates of duty, bindings against increase of existing duties, bindings of the duty-free status, and reductions in the margin of preference. Pakistan is an important source of United States imports of badminton and tennis rackets, carpet wools, wool rugs, and raw jute, items on which the United States granted concessions in the agreement. Since Pakistan achieved Dominion status only on August 15, 1947, there are no prewar trade figures available on either the quantity or value of our trade with Pakistan.

Syro-Lebanese Customs Union

In the general agreement, Syria and Lebanon granted tariff concessions on products of interest to the United States representing approximately \$1,784,000 in terms of 1938 trade, or 63 percent of total imports into Syria and Lebanon from this country in that year. The duties were reduced on 28 items, bound against increase on 17, and bound free on three. The items of principal interest to the United States are passenger automobiles, tires and tubes, machine tools, office machines, batteries, dentifrices, and prunes. Among the concessions made by Syria and Lebanon was an undertaking to eliminate the differential duty treatment under which much higher duties have been imposed on

heavy passenger automobiles, which are imported chiefly from the United States, than on lighter automobiles, which are imported chiefly from countries other than the United States, and to provide a uniform rate for all such automobiles.

The concessions on products of interest to Syria and Lebanon made by the United States in the general agreement apply to commodities which represented approximately \$1,778,000 in terms of 1938 trade, or 72 percent of United States imports from Syria and Lebanon in that year. Reductions were granted on apricots, apricot pulp, chickpeas, Latakia-type tobacco, pistachio nuts, and thyme leaves. The duty-free entry of carpet wools, licorice root, and sausage casings was bound against change.

Fourth Semiannual Report of the Atomic Energy Commission Released**STATEMENT BY THE PRESIDENT**

[Released to the press by the White House July 24]

Today the fourth semiannual report of the Atomic Energy Commission is made public, almost on the eve of the second anniversary of the Atomic Energy Act of 1946. Every thoughtful person should become familiar with this report. Atomic energy is not only the Government's business; it is the vital concern of every citizen.

Two years have elapsed since the Atomic Energy Act became law, and it is now possible to see in true perspective the wisdom of that legislation. Rarely has the writing of a statute so challenged this nation's political courage and integrity. Never before has a nation victorious in war, and unequalled in power, demonstrated more concretely its devotion to peace and social progress.

The Atomic Energy Act stands upon four policy points. The first is that since a free society places the civil authority above the military power, the control of atomic energy properly belongs in civilian hands. The second is that until the technology of atomic energy is better understood and safeguards are devised to reduce the hazards of its use, the normal role of private enterprise in the development of a natural resource must be restrained, and public ownership maintained. The third point is that until controls are established on the international level to prevent the military use of atomic energy, we cannot, as a nation, afford to disclose the secrets which make this new force the most deadly form of military weapon. The fourth policy point is that we must not relax our efforts to probe deeper into the facts of nature to derive increasing knowledge of atomic energy, both to supplement our defenses and to open new opportunities for peaceful progress.

As to the first of these principles, I have concerned myself, since becoming President, with

the difficult problem of balancing the civilian and military interests in atomic energy. It was my grave responsibility to make the decision which resulted in the first use of atomic weapons in time of war. Ever since that time, I have sought to eliminate atomic weapons as instruments of war, by seeking through the United Nations to put the control of the dangerous aspects of atomic energy beyond the reach of any individual nation. At the same time, without losing hope of achieving international control, I have directed that every effort be made toward maintaining the leading position of the United States in the knowledge of nuclear energy and its military applications.

Today we possess powerful atomic weapons. The recent tests conducted jointly by the Atomic Energy Commission and the armed services in the Pacific have demonstrated beyond any question that our position in the field of atomic weapons has been substantially improved. Such advances vindicate the faith of the American people in the principle of civilian control of atomic energy.

The progress which has been achieved under the present allocation of responsibilities is itself strong proof of the capacity of civilians and military men to work together in common cause.

As President of the United States, I regard the continued control of all aspects of the atomic-energy program, including research, development, and the custody of atomic weapons, as the proper functions of the civil authorities. Congress has recognized that the existence of this new weapon places a grave responsibility on the President as to its use in the event of a national emergency. There must, of course, be very close cooperation between the civilian commission and the Military Establishment. Both the military authorities and the civilian commission deserve high commendation

for the joint efforts which they are putting forward to maintain our nation's leadership in this vital work.

The Government of the United States holds in trust all our fissionable materials and production facilities. These are being used, on an increasing scale, to speed the discovery of applications of atomic energy to industry, agriculture, and public health. The Atomic Energy Commission reports that recent experiments hold out the promise of more efficient production on the farm and in the factory and of an increase of mechanical and human energy for doing the world's work. While this program is directed by an agency of the Government, the plants and laboratories are operated by leading industrial and research organizations through contracts with the Federal Government. I hope that, in due course, the Government will be able to permit greater participation by private industry in the development of atomic energy. When that time arrives, our industries and research organizations will be well prepared to carry forward the applications of atomic energy which will provide better living and better health for our people.

Proposed Amendments by the President to the Displaced Persons Act of 1948

[Released to the press by the White House July 23]

The President has completed the amendments which he will recommend that the Congress, during the forthcoming special session, make to the law for the immigration of displaced persons, passed by the Congress at the end of the last session. In general, the amendments he will propose follow the lines of the statement he issued on June 25, when he signed this law.¹

The amendments which the President will propose include the following:

(1) The elimination of all features of the law whose effect is to discriminate by reason of race or religion. The chief discrimination of this sort is the date limitation introduced into the law. It now provides that, except for the recent Czech refugees, no displaced person or refugee can immigrate under this law unless he had arrived in the western zones of Germany or Austria or in Italy, by December 22, 1945. Since most of the Jewish displaced persons took refuge in the western zones of Germany and Austria and in Italy after that date and since that limitation also bars Catholic refugees from Yugoslavia and elsewhere who escaped after that date, the President proposes a substitute date—one urged by advocates of this legislation originally—April 21, 1947.

Other provisions of the present law which the President regards as discriminatory would also be eliminated by other amendments he is proposing.

¹ Public Law 774, 80th Cong., 2d sess.

Secrecy is always distasteful to a free people. In scientific research, it is a handicap to productivity. But our need for security in an insecure world compels us, at the present time, to maintain a high order of secrecy in many of our atomic energy undertakings.

When the nations of the world are prepared to join with us in the international control of atomic energy, this requirement of secrecy will disappear. Our Government has sought, through its representatives on the United Nations Atomic Energy Commission, to find a common basis for understanding with the other member nations. However, the uncompromising refusal of the Soviet Union to participate in a workable control system has thus far obstructed progress.

The Atomic Energy Act has stood the test of two years of administration. There is no reason to question the sound basis on which it rests. In two years, the world has found no ready answers to the problem of war and peace. Atomic energy, therefore, remains a fearful instrument of destruction and a wonderful invitation to progress through peace.

(2) The law as passed by the Congress contains certain features which make it difficult of administration. Certain provisions require the submission of certain types of data and the making of certain kinds of arrangements in advance of the granting of visas to displaced persons—conditions so rigidly framed that it will be very difficult for the displaced persons to comply with them. The result may be that instead of immigration in the numbers fixed by the bill only a considerably reduced number can come in at all.

For example, there is a provision in regard to having a job prior to arrival. The President believes that the various social, welfare, and religious groups which will handle the problem in the United States will be in a position to solve all such questions effectively and that it is both sound and wise to place confidence in the fairness of the religious and welfare groups and in their ability to do the job well. The representatives of many of them have indicated that they can solve the difficulties confronting displaced persons on their arrival in this country but that it will be extremely difficult to proceed under the restrictive provisions unnecessarily introduced into the law at the last session.

(3) The President will propose an amendment to eliminate the so-called "Mortgaging of the Future Quotas" provision. Under this provision, future generations of prospective and desirable immigrants seeking to enter the United States under the regular immigration quotas will be penal-

ized and will be unable to immigrate into the United States. This penalty will apply for many years. For example, in the case of immigrants seeking to come from Poland, the penalty will run for almost an entire generation and in the case of immigrants seeking to enter from the Baltic countries the penalty will be in effect for 100 years or more.

(4) The President will propose an amendment increasing the number of displaced persons who may enter under this emergency bill, from 202,000 in two years, the figure in the present law, to approximately 402,000 in four years. This larger figure has been supported by experts ever since this subject was broached.

Cultural Leaders Awarded Grants-in-Aid

Chile

Jorge Ugarte Vial, Director of the Library of the National Congress of Chile, has arrived in Washington for a three months' visit to consult with officials of the Library of Congress and to study the Legislative Reference Service of the Library. His visit has been arranged under the travel-grant program of the Department of State in cooperation with the Library of Congress.

Cuba

Dr. Julián B. Acuña, head of the department of botany of the Agricultural Experiment Station at Santiago de las Vegas, Cuba, arrived in Washington June 28 for a three months' visit in this country in connection with a fiber-research project on which the United States and the Cuban station are collaborating. He will spend several days in consultation with officials of the Department of Agriculture before beginning a trip to various other cities to confer with fiber-research agronomists, breeders, and engineers. His visit has been facilitated through a grant-in-aid from the Department of State, awarded at the request of the Department of Agriculture.

Mexico

Fernando Obregón Fernández, chief of the technical office of the Directorate General of Fisheries and Allied Industries of the Ministry of Marine of Mexico, arrived in Washington June 28 for a three months' visit under the travel-grant program of the Department of State in cooperation with the Interior Department.

Rafael Orellana, archeologist of the National Institute of Anthropology and professor of anthropological sciences at the National University of Mexico, has arrived in Washington to spend three

months in this country visiting museums, and conferring with other experts in his field.

Mr. Orellana, whose visit has been arranged under the travel-grant program of the Department of State in cooperation with the National Gallery of Art, plans to spend two months in Washington, at the end of which time he will go to New York for further conferences and observation at the Metropolitan and Brooklyn Museums, returning to Mexico in October.

United States

Dr. Harvey L. Johnson, associate professor of Romance languages at Northwestern University, has been awarded a grant-in-aid by the Department of State for a series of lectures at the cultural centers in Montevideo, Asunción, Córdoba (Argentina), Lima, and La Paz. His lectures will cover subjects pertaining to Latin American studies and culture in the United States and intellectual and social development in the United States.

Walter M. Bastian, former assistant professor of English at the United States Naval Academy, Annapolis, has been awarded a grant-in-aid by the Department of State to serve as visiting professor of English at the University of El Salvador for one year, beginning this month. This grant was awarded in response to a request from the University in connection with its plans to inaugurate a three-year course in English and to build up a library of English books. The classes will be open to a limited number of outsiders as well as to university students.

Dr. Cecil R. Monk, director of the department of biology of Willamette University, Salem, Oregon, has received a grant from the Department of State to enable him to spend a year as visiting professor of biology at the Institute of Natural Sciences, Central University, Caracas, Venezuela. The University has invited Dr. Monk to assist in the organization of the department of biology to give courses in zoology and biology, and to do research in invertebrate zoology.

Uruguay

Felix de Medina, counselor and professor of the faculty of engineering of the University of Montevideo and director of the Machinery Institute of the same school, has arrived in Washington for a three months' visit in the United States under the travel-grant program of the Department of State. Mr. de Medina will visit schools of engineering in various parts of the country, his chief interest being in methods of teaching mechanical engineering and in laboratory equipment. He will also study methods of production of machinery, especially Diesel electric locomotives and gas turbines, and mass production of automobiles, airplanes, etc. He will visit the Railroad Fair in Chicago in August.

THE DEPARTMENT

Paul Daniels Appointed to Council of Organization of American States

The Secretary of State announced on June 21 the appointment of Paul C. Daniels as United States Representative on the Council of the Organization of American States. Ambassador Daniels succeeds in this capacity Ambassador William Dawson, who resigned for reasons of health.

In serving in his new post on the Council, Ambassador Daniels will continue his present duties as the Department's Director for American Republic Affairs. The Council of the American States, created by the charter approved at Bogotá, is a permanent representative council with members representing all the American republics. It supervises the Pan American Union and ascertains that all decisions of Inter-American conferences are carried out.

Willard Thorp Appointed to Inter-American Economic and Social Council

[Released to the press July 13]

The Secretary of State announced on July 13 the appointment of Willard L. Thorp, Assistant Secretary of State for economic affairs, as Representative of the United States of America on the Inter-American Economic and Social Council, replacing Paul C. Daniels, Director of the Department's Office of American Republic Affairs.

H. Gerald Smith will continue as Alternate to the United States Representative on the Inter-American Economic and Social Council.

Abolishment of the Shipping Division

I Effective July 1, 1948, the Shipping Division (SD) is abolished.

II The Office of Transport and Communications (TRC), through a small staff of advisers on international ocean shipping and inland transportation, will assume responsibility for advisory and coordinating functions of the Department with respect to ocean shipping and inland transport.

A Action responsibility in these fields is assigned to the geographic offices. However, pending specific redelegation of functions, through amendment of the Organization Manual, the Division of Communications and Records (DC) will continue to assign to TRC action responsibility for correspondence dealing with shipping and inland transport matters.

III The Seamen Affairs Branch of the Shipping Division, together with its personnel, functions, records, furniture, equipment, and funds, is transferred to the Division of Protective Services (DS).

Abolishment of Division of Procurement Control

I Pursuant to Executive Order 9960 of May 19, 1948, the Division of Procurement Control (PC) of the Office of Budget and Planning (OBP) is abolished as of the close of business June 30, 1948; its functions, records, equipment, and personnel are transferred from the Department of State to the Economic Cooperation Administration.

II Within thirty days appropriate Departmental Regulations will be issued to effect the necessary realignment of functions.

Appointment of Officers

Winthrop G. Brown as Director of the Office of International Trade Policy, effective June 13, 1948.

Edwin M. Martin as Deputy Director of the Office of International Trade Policy, effective June 13, 1948.

Samuel D. Boykin as Director of the Office of Controls, effective June 28, 1948.

Philip D. Sprouse as Chief of the Division of Chinese Affairs, Office of Far Eastern Affairs, effective June 14, 1948.

George H. Butler as Deputy Director of the Policy Planning Staff, effective July 6, 1948.

Joseph C. Satterthwaite as Director of the Office of Near Eastern and African Affairs, effective July 16, 1948.

Raymond A. Hare as Deputy Director of the Office of Near Eastern and African Affairs, effective July 16, 1948.

Volume XIII of "Territorial Papers of the U.S." Released

[Released to the press July 25]

Advance copies of volume XIII of the series entitled *The Territorial Papers of the United States*, published by the Department of State under the authority of an act of Congress, were received by the Department on July 25.

This volume, which marks the resumption of the project after war-imposed curtailment, contains the official papers found in the archives in Washington pertaining to the Territory of Louisiana for the years 1803-1806. In all, three volumes are in prospect for the Territory of Louisiana-Missouri, 1803-1821, which comprised the entire area of the Louisiana purchase with the exception of the present state of Louisiana. The significance of the present work and its companion volumes lies in the fact that it presents for the first time a comprehensive documentation of the beginning of American administration of a region out of which

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no less than a dozen states of the Union were subsequently carved.

Beginning with the acquisition of Louisiana in 1803, the present volume embodies documents pertaining to the transfer of Upper Louisiana to the United States, and to the administration of the first governor, General James Wilkinson. For the first and only time the civil administration of a territory was united with the military; the failure of this policy became manifest before Wilkinson's removal as governor. In this connection there are presented many hitherto unpublished letters of General Wilkinson.

Problems of the transition from an old world colony to a United States territory are depicted by selected correspondence between departments of the Federal Government and the various territorial officials, as well as by letters passing between numerous subordinate officers within the territory. A wide range of materials, other than those pertaining to the purely political administration, are also included. Such documents include petitions to Congress for redress of grievances, reports of congressional committees, proclamations, letters of application for office, as well as those illustrating party and class divisions, and other relevant papers.

Dr. Clarence E. Carter, of the Division of Historical Policy Research in the Department of State, is the editor of the series of *Territorial Papers*. Volume XIII of the series will be sold by the Superintendent of Documents, Government Printing Office, Washington 25, D.C., for \$3.50 a copy.

Department Inaugurates Treaty Information Service

[Released to the press July 25]

The Department of State inaugurated on July 24 a loose-leaf service entitled *United States Treaty Developments*, designed to meet the need for a single compilation containing up-to-date factual information on developments affecting international agreements entered into by the United States.

Information on over 400 international agreements is contained in the first release of loose-leaf sheets and includes, when appropriate, notes respecting date and place of signature, effective date, duration, citations to the text, signatories, ratifications, adherences, accessions, reservations, amendments, extensions, terminations, authorizing and implementing legislation, Executive action, administrative interpretations, opinions of the Attorney General, court decisions, and other relevant action.

The 400 agreements included in this release have either been concluded since January 1, 1944, or there has been some development concerning them

since that date. The service will be kept current, new loose-leaf sheets being issued as new agreements are published, and earlier agreements will be included as rapidly as possible, any recent development regarding an earlier agreement being made the occasion for bringing up to date the record with respect to that instrument.

United States Treaty Developments is a combination and extension of such previous publications of the Department of State as *Treaties Submitted to the Senate*, *Treaty Developments 1944*, and *A List of Treaties and Other International Acts of the United States in Force on December 31, 1941*, and it will eventually replace them and serve as a comprehensive guide to official material respecting all treaties and other international agreements to which the United States has become a party in nearly two centuries of treaty-making.

United States Treaty Developments is compiled by Eunice Webber Shafferman and Helen Hedvig Brown under the direction of Bryton Barron, Assistant for Treaty Affairs, Office of the Legal Adviser. The first release of loose-leaf sheets may be purchased for \$4.00 from the Superintendent of Documents, Government Printing Office, Washington 25, D.C.

PUBLICATIONS

Department of State

For sale by the Superintendent of Documents, Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

Assistance to the People of Italy Under Public Law 389, 80th Congress. Treaties and Other International Acts Series 1678. Pub. 3039. 17 pp. 10¢.

Agreement Between the United States of America and Italy—Signed at Rome January 3, 1948; entered into force January 3, 1948.

Air Transport Services. Treaties and Other International Acts Series 1679. Pub. 3040. 39 pp. 15¢.

Agreement Between the United States of America and France signed at Paris March 27, 1946, entered into force March 27, 1946; and Provisional Arrangement effected by exchange of notes signed at Paris December 28 and 29, 1945.

Headquarters of the United Nations. Treaties and Other International Acts Series 1676. Pub. 3042. 29 pp. 10¢.

Agreement Between the United States of America and the United Nations—Signed at Lake Success, N.Y., June 26, 1947; and exchange of notes bringing agreement into force November 21, 1947.

Canol Project: Waiver by Canada of Certain Rights Relating to Crude Oil Facilities. Treaties and Other International Acts Series 1696. Pub. 3067. 2 pp. 5¢.

Agreement Between the United States of America and Canada—Effected by exchange of notes signed at Ottawa August 31, and September 6, 1945; entered into force September 6, 1945.

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